

*A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia and Alberta, and with the TSX Venture Exchange Inc. but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities in each of British Columbia and Alberta.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities.*

**AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED JUNE 7, 2021  
AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED MARCH 9, 2021**

**INITIAL PUBLIC OFFERING**

**DATED: June 7, 2021**

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**AADIRECTION CAPITAL CORP.  
(a capital pool company)**

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**Offering: \$400,000  
4,000,000 Common Shares  
Price: \$0.10 per Common Share**

The purpose of this offering is to provide AADirection Capital Corp. (the “**Issuer**”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the “**Exchange**”) and in the case of a Non-Arm’s Length Qualifying Transaction must also receive Majority of the Minority Approval, in accordance with Exchange Policy 2.4 – *Capital Pool Companies* (the “**CPC Policy**”). The Issuer is a Capital Pool Company (“**CPC**”). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

The Prospectus is also intended to qualify the Issuer grant of CPC Stock Options to its directors and officers to purchase 600,000 Common Shares exercisable at \$0.10 per Common Share for a period of five (5) years from the Listing Date, and the Issuer grant of an Agent’s Option to the Agent to purchase 400,000 Common Shares exercisable at \$0.10 per Common Share for a period of five (5) years from the Listing Date (the “**CPC Stock Options**”).

See "Business of the Issuer", "Use of Proceeds" and “Options to Purchase Securities”. See "Glossary" for the definitions of capitalized terms herein.

## Distribution

	Price to Public	Agent's Commission <sup>(1)</sup>	Proceeds to Issuer <sup>(2)</sup>
Per Common Share	\$0.10	\$0.01	\$0.09
Offering	\$400,000	\$40,000	\$360,000

*Notes:*

- (1) *A cash commission of 10% of the gross proceeds of the Offering will be paid to Canaccord Genuity Corp. (the "Agent"). In addition, the Agent and its sub-agents, if any, will be granted Agent's Warrants to purchase 400,000 Common Shares equal to 10% of the number of Common Shares to be sold pursuant to the Offering, at a price of \$0.10 per Common Share, for a period of 5 years from the Listing Date, which Agent's Warrants are qualified for distribution under the Prospectus. The Agent will also be paid an administration fee of \$15,000. The Agent will be reimbursed by the Issuer for its legal fees and expenses of which \$15,000.00 has been advanced. See "Plan of Distribution – Agency Agreement and Agent's Compensation".*
- (2) *Before deducting the additional costs of this issue estimated at \$90,000 which includes legal and audit fees and other expenses of the Issuer, the Agent's administration fee, the Agent's legal fees and disbursements and the listing fees payable to the Exchange. See "Use of Proceeds".*

This Offering is made on a commercially reasonable efforts basis by Canaccord Genuity Corp. (the "Agent") and is subject to a minimum aggregate subscription of 4,000,000 Common Shares for total minimum gross proceeds to the Issuer of \$400,000. The offering price of the Common Shares was determined by negotiation between the Issuer and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement between the Issuer and the Agent. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

## Market for Securities

The Issuer has applied to list its Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange.

**There is no market through which the Common Shares offered by this Prospectus may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

As at the date of the prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Warrants and the concurrent grant of the CPC Stock Options trading in all securities of the Issuer is prohibited during the period between the date a receipt for the preliminary prospectus is issued by each of the applicable securities commissions and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority grants a discretionary order.

## **Summary of Risk Factors**

**Investment in the Common Shares offered by this Prospectus is highly speculative due to the nature of the Issuer's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".**

Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior share issuances without deduction of selling and related expenses) of \$0.017 or 17% per Common Share based on the gross proceeds of the Offering, before deduction of selling commissions or related expenses of the Offering. See "Dilution".

The Issuer was only recently incorporated and does not currently own any assets other than cash. The business objective of the Issuer is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction that requires Exchange approval and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval of the Issuer's shareholders. The Issuer has only limited funds with which to identify and evaluate potential Qualifying Transactions. Accordingly, there can be no assurance that the Issuer will successfully complete any Qualifying Transaction. The Issuer may find that even if the terms of a potential acquisition are economic, the Issuer may not be able to finance such acquisition. Where the investment or acquisition is financed by the issuance of Common Shares from the Issuer's treasury, control of the Issuer may change and shareholders may suffer significant dilution to their investment.

Investors must rely solely on the expertise of the Issuer's management for any possible return on their investment. The directors and officers of the Issuer will only devote a portion of their time to the affairs of the Issuer and there are potential conflicts of interest to which some of the directors and officers of the Issuer will be subject in connection with the opportunities available to, and the activities of, the Issuer.

Neither the Exchange nor any securities regulatory authority passes upon the merits of a proposed Qualifying Transaction.

There can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Since the Issuer has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such Persons or the Issuer, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

The Issuer will be in competition with other Issuers with greater resources. The Issuer has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "Capitalization", "Business of the Issuer", "Directors, Officers and Promoters", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

## **Maximum Investment**

This Offering is subject to the CPC Policy and the securities laws of the Provinces of British Columbia and Alberta. Pursuant to the CPC Policy, 75%, or 3,000,000 Common Shares, of the total number of Common Shares offered under this Prospectus are subject to the following limits:

- (a) The maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 80,000 Common Shares, of the total number of Common Shares offered under this Prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates or Affiliates, is 4%, or 160,000 Common Shares, of the total number of Common Shares offered under this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery on the Closing Date unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

Canaccord Genuity Corp., as Agent, conditionally offers these Common Shares, on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Issuer, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Woods & Company, Barristers & Solicitors, on behalf of the Issuer and by Miller Thomson LLP on behalf of the Agent.

**CANACCORD GENUITY CORP.**

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## TABLE OF CONTENTS

TABLE OF CONTENTS .....	v
GLOSSARY .....	vii
SUMMARY OF PROSPECTUS .....	1
Business of the Issuer .....	1
Offering .....	1
Use of Proceeds .....	1
Directors and Officers .....	1
Escrow .....	2
Risk Factors .....	2
CORPORATE STRUCTURE .....	2
Name and Incorporation .....	2
BUSINESS OF THE ISSUER .....	3
Preliminary Expenses .....	3
Proposed Operations until Completion of the Qualifying Transaction .....	3
Method of Financing .....	3
Filings and Shareholder Approval of a Qualifying Transaction.....	4
Potential Qualifying Transaction.....	5
Initial Listing Requirements .....	5
Trading Halts, Suspension and Delisting .....	5
Refusal of Qualifying Transaction .....	6
USE OF PROCEEDS .....	6
Proceeds and Principal Purposes .....	6
Permitted Use of Funds .....	7
Prohibited Payments to Non-Arm's Length Parties .....	8
Private Placements for Cash .....	9
Finder's Fees .....	9
PLAN OF DISTRIBUTION .....	9
Agency Agreement and Agent's Compensation.....	9
Commercially Reasonable Efforts Offering and Minimum Distribution .....	10
Other Securities to be Distributed .....	10
Determination of Price .....	10
Listing Application.....	11
Venture Issuers .....	11
Restrictions on Trading .....	11
DESCRIPTION OF THE SECURITIES DISTRIBUTED .....	11
CAPITALIZATION .....	11
OPTIONS TO PURCHASE SECURITIES .....	12
Agent's Warrants.....	12
Stock Option Terms.....	12
DIVIDEND POLICY.....	13
PRIOR SALES.....	13
ESCROWED SECURITIES .....	13
Securities Escrowed Prior to the Completion of the Qualifying Transaction .....	13
Escrowed Securities On Qualifying Transaction.....	15
PRINCIPAL SHAREHOLDERS .....	16
DIRECTORS, OFFICERS AND PROMOTERS .....	17
Name, Address, Occupation and Security Holdings .....	17
Other Reporting Issuer Experience .....	19
Corporate Cease Trade Orders or Bankruptcies.....	20

Penalties or Sanctions.....	20
Personal Bankruptcies .....	20
Conflicts of Interest .....	20
Promoter .....	21
Audit Committee .....	21
EXECUTIVE COMPENSATION .....	21
DILUTION .....	22
RISK FACTORS .....	22
LEGAL PROCEEDINGS .....	23
RELATIONSHIP BETWEEN ISSUER AND AGENT .....	23
RELATIONSHIP BETWEEN THE ISSUER AND PROFESSIONAL PERSONS .....	23
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	24
Transfer Agent and Registrar .....	24
MATERIAL CONTRACTS .....	24
ELIGIBILITY FOR INVESTMENT .....	24
OTHER MATERIAL FACTS .....	25
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION .....	25
FINANCIAL STATEMENTS .....	25
CERTIFICATE OF THE ISSUER	
CERTIFICATE OF THE PROMOTER	
CERTIFICATE OF THE AGENT	

## GLOSSARY

The following is a glossary of capitalized and other terms & abbreviations used frequently throughout this Prospectus.

“**Act**” means the Income Tax Act (Canada).

"**Affiliate**" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

- (a) Voting Shares of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the Voting Shares, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated as of \_\_\_\_\_ between the Issuer and the Agent.

"**Agent**" means Canaccord Genuity Corp.

"**Agent's Warrants**" means warrants to purchase Common Shares of the CPC which may be granted by the CPC to the Agent in accordance with the CPC Policy. For details see "Options to Purchase Securities".

"**Aggregate Pro Group**" means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Issuer to provide financing sponsorship and other advisory services.

"**Associate**" when used to indicate a relationship with a Person, means

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of a Person who is an individual
  - (i) that Person's spouse or child, or

- (ii) any relative of that Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member Issuer or holding Company of a Member Issuer, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member Issuer or holding Company.

"**Closing**" means the satisfaction of all conditions, and the completion of all steps and documents as required or contracted in order to effect the completion of the Offering.

"**Closing Date**" means the date the Offering is completed.

"**Common Shares**" or "**Shares**" means common shares without par value in the capital of the Issuer.

"**Company**" unless specifically indicated otherwise, means an issuer, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Completion of the Qualifying Transaction**" means the date of the Final QT Exchange Bulletin issued by the Exchange.

"**Controlling Individual**" means the annuitant of the RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding Voting Shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CPC**" or "**Capital Pool Company**" means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC Prospectus from one or more of the Commissions in compliance with the CPC Policy; and
- (b) in regard to which a Final QT Exchange Bulletin has not yet been issued.

"**CPC Policy**" means Policy 2.4 – *Capital Pool Companies* of the Exchange.

"**CPC Stock Options**" means stock options to be issued to directors, officers and consultants of the Issuer pursuant to the terms of section 7 of the CPC Policy exercisable at prices and within time frames consistent with the terms of the CPC Policy and regulatory requirements.

"**Depository**" means, pursuant to the Agency Agreement, the Agent, as it will hold the proceeds of the Offering in trust until the minimum Offering amount has been raised and the Offering is completed on the Closing Date.

“**Discounted Market Price**” means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share, in the case of the Issuer while it is a CPC, of \$0.10):

Closing Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

"**Escrow Agent**" means Odyssey Trust Company, Vancouver, British Columbia.

"**Escrow Agreement**" means the escrow agreement among the Issuer, the Escrow Agent and the Principal shareholders of the Issuer that will be effective on the Closing Date.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Final QT Exchange Bulletin**" means the bulletin issued by the Exchange following the closing of the Qualifying Transaction and the submission of all required documentation and that evidences final Exchange acceptance of the Qualifying Transaction.

"**Final Receipt**" means written confirmation of acceptance for filing of this Prospectus in final prospectus form received from each of the British Columbia Securities Commission, and the Alberta Securities Commission.

"**GST**" means the Canadian Goods and Services Tax.

"**Initial Public Offering**" or "**IPO**" means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus that has received a Final Receipt from the applicable regulatory authorities.

"**Insider**" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a Company that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than 10% of the voting rights attached to all outstanding voting Common Shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

"**Issuer**" means AADirection Capital Corp., an issuer incorporated under the laws of the Province of British Columbia.

“**Listing Date**” means the date of listing of the Common shares on the Exchange.

**"Majority of the Minority Approval"** means the approval by the majority of the votes cast at a meeting of Shareholders of the CPC, or by the written consent of Shareholders holding more than 50% of the issued Listed Shares of the CPC, provided that the votes attached to Listed Shares of the CPC held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

- (a) Non-Arm's Length Parties to the CPC;
- (b) Non-Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
  - (i) if the CPC holds its own Common Shares, the CPC, and
  - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction.

**"Market Price"** means the last closing price of the Issuer's Common Shares on the Exchange before prescribed notice of an issuance of securities by the Issuer subject to certain exceptions as set out in the Policies of the Exchange.

**"Member"** means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a Member of the Exchange.

**"Member's Agreement"** means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange.

**"NEX"** means the market on which former Exchange issuers that do not meet Exchange tier maintenance requirements for Tier 2 issuers may continue to trade.

**"Non-Arm's Length Party"** means:

- (a) in relation to a Company:
  - (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
  - (ii) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and
- (b) in relation to an individual, any Associate or the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

**"Non-Arm's Length Parties to the Qualifying Transaction"** means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm's Length Parties of the Vendor(s), the Non-Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

**"Non-Arm's Length Qualifying Transaction"** means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

**"Offering"** means the offering of Common Shares in accordance with the terms of this Prospectus.

**"Person"** means a Company or individual.

“**Plans**” means collectively a RRSP, a RRIF, a RESP, a RDSP, and a RFSA.

"**Policy**" means a policy issued by the Exchange.

"**Principal**" means

- (a) a Person who acted as a Promoter of the Issuer within two years before the initial public offering (“**IPO**”) prospectus or the date of bulletin issued by the Exchange that evidences the final Exchange acceptance of a transaction (the “**Final QT Exchange Bulletin**”);
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final QT Exchange Bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the Final QT Exchange Bulletin for non-IPO transactions; and
- (d) a 10% holder – a Person that
  - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the Final QT Exchange Bulletin for non-IPO transactions; and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal’s spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

"**Pro Group**" means:

- (a) Subject to subparagraphs (b), (c) and (d) and (e), "Pro Group" shall include, either individually or as a group:
  - (i) the Member;
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;
  - (iv) Affiliates of the Member; and
  - (v) Associates of any parties referred to in subparagraphs (i) through (iv).

- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:
  - (i) the Person is an affiliate or associate of the Member acting at arm's length of the Member;
  - (ii) the associate or affiliate has a separate corporate and reporting structure;
  - (iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and
  - (iv) the Member maintains a list of such excluded Persons.

**"Promoter"** has the meaning prescribed in section 1(1) of the *Securities Act* (British Columbia) and in the context of a CPC generally means a person who takes the initiative in founding, or organizing the business of the CPC.

**"Prospectus"** means this disclosure document of the Issuer, as amended and restated, required to be prepared in connection with a public offering of Common Shares.

**"Qualifying Transaction"** means a transaction where the CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means, in compliance with the CPC Policy.

**"Qualifying Transaction Agreement"** means any agreement or other similar commitment respecting the Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;
- (c) the value of the Significant Assets and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction;

**"Registered Plan"** means a RRSP, a RRIF, a RESP, a RDSP, or a RFSA.

**"RDSP"** means a registered disability savings plan, as defined under the Act.

**"RESP"** means a registered education savings plan, as defined under the Act.

**"RRIF"** means a registered retirement income fund, as defined under the Act.

“**RRSP**” means a registered retirement savings plan, as defined under the Act.

"**Resulting Issuer**" means the Issuer that was formerly a CPC, which exists upon issuance of the Final QT Exchange Bulletin.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements of the Exchange.

"**Sponsor**" has the meaning specified in Exchange Policy 1.1 –*Interpretation*.

"**Target Company**" means a Company to be acquired by the CPC as its Significant Assets pursuant to a Qualifying Transaction.

“**TFSA**” means a tax-free savings account.

"**TSX**" means the Toronto Stock Exchange.

"**Vendor(s)**" means one or all of the beneficial owners, of the Significant Assets and/or Target Company.

## SUMMARY OF PROSPECTUS

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.*

### **Business of the Issuer**

The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Until the completion of a Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Issuer has not commenced commercial operations and has no assets other than a minimal amount of cash. See "Business of the Issuer".

### **Offering**

A total of 4,000,000 Common Shares are being offered under this Prospectus at a price of \$0.10 per Common Share for gross proceeds of \$400,000. This Offering is being made on a commercially reasonable efforts basis by the Agent.

In addition, the Issuer will, effective on Closing of the Offering, grant an option to the Agent to purchase 400,000 Common Shares at a price of \$0.10 per Common Share exercisable for a period of five years from the Listing Date, which Agent's Warrants are qualified under this Prospectus.

The Issuer also intends to grant CPC Stock Options to purchase 600,000 Common Shares to its directors, and officers, which will be exercisable at \$0.10 per Common Share for a period of five years from the Closing Date, which CPC Stock Options are qualified for distribution under this Prospectus. See "Plan of Distribution".

### **Use of Proceeds**

The net proceeds to the Issuer after deduction of the Agent's cash commission, but before deduction of the expenses of the Offering, the Agent's administration fee and the expenses of the Agent, will be \$360,000. The net proceeds of this Offering together with the \$100,000 raised from a seed financing will be used to provide the Issuer with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Issuer may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. See "Use of Proceeds" for details of the restrictions and prohibitions on the Issuer's use of funds.

### **Directors and Officers**

The directors and officers of the Issuer – and the positions held by them – are as follows. See "Directors, Officers and Promoters".

Joanne Yan	Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Promoter and Director
Jackie Cheung	Director
Michael Woods	Director

## **Escrow**

All of the currently issued and outstanding Common Shares of the Issuer, being 2,000,000 Common Shares, have been deposited in escrow pursuant to the terms of a CPC Escrow Agreement and will be released from escrow in stages over a period of 18 months from the date of the Final QT Exchange Bulletin.

All of the CPC Stock Options, being CPC Stock Options entitling the holders to purchase 600,000 Common Shares, are to be granted on Closing, at which time the CPC Escrow Agreement shall be amended to include the CPC Stock Options such that they shall be released from escrow in stages over a period of 18 months from the date of the Final QT Exchange Bulletin.

See "Escrowed Securities".

## **Risk Factors**

**There is currently no established market for the Common Shares. Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Issuer's business and its present stage of development.**

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Issuer's business and its present stage of development. The Issuer was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Issuer and can afford to risk the loss of their entire investment. The directors and officers of the Issuer will only devote part of their time and attention to the affairs of the Issuer and there are potential conflicts of interest to which some of the directors and officers of the Issuer will be subject in connection with the operations of the Issuer. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 1.7% or \$0.017 per Common Share. There can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Issuer has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Issuer will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada.

See "Risk Factors" below for more detailed information on the risks of an investment in the Issuer's Common Shares.

## **CORPORATE STRUCTURE**

### **Name and Incorporation**

The full name of the Issuer is "**AADirection Capital Corp.**"

The registered office and head office of the Issuer are located at 2110 28th Street, West Vancouver, British Columbia, Canada V7V 4M3.

The Issuer was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on December 1, 2020 under the name "AADirection Capital Corp." with authorized capital of an unlimited number of Common Shares without par value. The Issuer has no subsidiaries.

## **BUSINESS OF THE ISSUER**

### **Preliminary Expenses**

The Issuer has incurred approximately \$37,525 in preliminary expenses to date of which \$3,525 have been incurred since March 31, 2021 (the date of the most recent balance sheet included in this Prospectus) relating to professional fees and disbursements, filing fees, and taxes with respect to the requisite steps in proceeding with the Offering. Certain proceeds from the Offering may be used to satisfy the obligations of the Issuer related to this Offering, including the expenses of its auditors, legal counsel, and the Agent's legal counsel.

The Issuer's expenditures since March 31, 2021 have been payment of \$1,500 in Issuer's legal counsel fees, \$2,000 in fees paid to the auditor, and the remainder in disbursements and taxes.

See "Use of Proceeds" for total estimated expenses to completion of the Offering.

### **Proposed Operations until Completion of the Qualifying Transaction**

The Issuer proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Issuer has not conducted any commercial operations. The Issuer has not determined an industry sector in which it currently intends to pursue a Qualifying Transaction and there is no assurance what sector will, in fact, be the business sector of a proposed Qualifying Transaction of the Issuer until Completion of the Qualifying Transaction.

A maximum of \$25,000 in aggregate may be advanced as a non-refundable deposit or unsecured loan to a Target Company or the Vendor, as the case may be, without prior Exchange acceptance. Including any non-refundable deposit or unsecured loan, a maximum of the greater of (a) \$250,000 or (b) 20% of the working capital of the Issuer may be advanced as a secured loan to a Target Company, subject to Exchange acceptance.

Until completion of the Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "Use of Proceeds", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Issuer has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Issuer has not yet entered into a Qualifying Transaction Agreement. See "**Potential Qualifying Transaction**".

### **Method of Financing**

The Issuer may use the issuance of treasury shares, public equity or debt financings, existing cash, or conventional bank or debt financing, or a combination of the foregoing, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Issuer and may cause the Shareholders' interest in the Issuer to be further diluted.**

## **Criteria for a Qualifying Transaction**

The board of directors of the Issuer must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Issuer and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Potential acquisitions will be screened initially by management of the Issuer to determine their economic viability. Approval of acquisitions will be made by the board of directors. The board of directors will examine proposed acquisitions having regard to, among other things, the (a) projected rate of return; (b) risk of loss; (c) prospects for growth; (d) skill of the management team; and (e) basic financing considerations, including the costs of the acquisition and the prospect of obtaining debt or equity financing to complete the acquisition.

## **Filings and Shareholder Approval of a Qualifying Transaction**

Upon the Issuer reaching a Qualifying Transaction Agreement, the Issuer must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Issuer's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Issuer shall be required to submit for review to the Exchange a Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Issuer, assuming Completion of the Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Issuer must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a non-Arm's Length Qualifying Transaction, the Exchange will not require the Issuer to obtain Shareholder approval of the Qualifying Transaction provide that it files the CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents have been accepted for filing, the Exchange will advise the Issuer that it is cleared to file the final Disclosure Document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, the Issuer must file the final CPC Filing Statement or Prospectus on SEDAR at least seven business days prior to:
  - (i) the resumption of trading in the securities of the Resulting Issuer following Completion of the Qualifying Transaction if the securities of the Issuer are halted from trading; or
  - (ii) the Completion of the Qualifying Transaction, if the securities of the Issuer are not halted from trading;
- (b) where Shareholder approval is required and is to be obtained at a meeting of Shareholders, the Issuer will file on SEDAR and mail to its Shareholders the notice of meeting, CPC Information Circular and form of proxy, together with any other required documents; and
- (c) where Shareholder approval is required and is to be obtained by written consent, the Issuer will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Issuer will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Issuer will no longer be considered to be a CPC upon the Exchange having issued the Final QT Exchange Bulletin. The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (i) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final QT Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

### **Potential Qualifying Transaction**

The Issuer has not, as of the date hereof, entered into negotiations respecting a potential Qualifying Transaction.

### **Initial Listing Requirements**

The Resulting Issuer must satisfy the Exchange's Initial Listing Requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under Policy 2.1 and the related Policies of the Exchange.

### **Trading Halts, Suspension and Delisting**

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of a Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, Personal Information Forms or, if applicable, Declarations, for all individuals who may be directors, senior officers, Promoters, or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer; or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Issuer fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Qualifying Transaction Agreement or if the Issuer fails to file post-meeting or final documents as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

In the event that the Common Shares of the Issuer are delisted by the Exchange, within 90 days from the date of such delisting, the Issuer shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Issuer, determine to deal with the Issuer or its remaining assets in some other manner.

See "Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction".

## Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the Resulting Issuer will be a mutual fund, as defined in the securities legislation;
- (c) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

## USE OF PROCEEDS

### Proceeds and Principal Purposes

The following table indicates the principal uses to which the Issuer proposes to use the total funds available to it upon the completion of this Offering:

	<b>PROCEEDS &amp; PRINCIPAL PURPOSES</b>		<b>AMOUNT</b>
(a)	Gross cash proceeds received by the Issuer from the sale of Common Shares prior to this Offering <sup>(1)</sup>	\$	100,000
(b)	Less: Expenses and costs relating to raising the cash proceeds referred to in (a) above	\$	(1,000)
(c)	Plus: Gross cash proceeds to be raised by the Issuer from the sale of the Common Shares distributed pursuant to this Offering <sup>(2)</sup>	\$	400,000
(d)	Less: Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses) referred to in (c) above, incurred to date and expected to be incurred		(130,000)
(e)	Estimated funds to be available to the Issuer on completion of the Offering	\$	369,000
(f)	Funds available for identifying and evaluating assets or business prospects	\$	290,000
(g)	Estimated general and administrative expenses until Completion of the Qualifying Transaction <sup>(3)</sup>	\$	81,000
	Total Net Proceeds	\$	369,000

Notes:

(1) See "Prior Sales"

(2) In the event the Agent exercises the Agent's Warrants, or the directors, officers or technical consultants exercise their CPC Stock Options, there will be available to the Issuer a maximum of an additional \$100,000 which will be added to the working capital of the Issuer. There is no assurance that any of these options will be exercised.

(3) In the event that the Issuer enters into a Qualifying Transaction Agreement prior to spending the \$290,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partly finance the acquisition of, or participation in, the Significant Assets, or for working capital after Completion of the Qualifying Transaction.

Until required for the Issuer's purposes, the proceeds of this Offering will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Issuer may commit.

## **Permitted Use of Funds**

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Prohibited Payments to Non-Arm's Length Parties", "Private Placements for Cash" and "Finder's Fees", the gross proceeds realized from the sale of all securities issued by the Issuer will be used by the Issuer only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

- (a) reasonable expenses relating to the Issuer's IPO, including:
  - (i) fees for legal services and audit services relating to the preparation and filing of this Prospectus;
  - (ii) Agent's fees, costs and commissions; and
  - (iii) Printing costs, including printing of this Prospectus and share certificates;
- (b) Reasonable general and administrative expenses of the Issuer (not exceeding in aggregate \$3,000 per month), including:
  - (i) office supplies, office rent and related utilities;
  - (ii) equipment leases;
  - (iii) fees for legal services; and
  - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
  - (i) valuations or appraisals;
  - (ii) business plans;
  - (iii) feasibility studies and technical assessments;
  - (iv) Geological Reports;
  - (v) financial statements;
  - (vi) fees for legal services; and
  - (vii) fees for accounting, assurance and audit services;
- (d) agent's and finder's fees, costs and commissions;
- (e) assurance and audit fees of the Issuer;
- (f) escrow agent and transfer agent fees of the Issuer; and
- (g) regulatory filing fees of the Issuer.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the

Exchange. Any proposed deposit, advance or loan of funds from the Issuer to the Target Company or a Vendor(s) in excess of such \$25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the Exchange where all of the following conditions are satisfied:

- (a) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (b) the Qualifying Transaction has been announced in a comprehensive news release pursuant to section 11.2;
- (c) the due diligence with respect to the Qualifying Transaction is well underway;
- (d) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (e) the loan has been announced in a news release at least 15 days prior to the date of any such loan; and
- (f) the total amount of all deposits, advances and loans from the Issuer does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Issuer to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Issuer.

#### **Prohibited Payments to Non-Arm's Length Parties**

Except as described under "Options to Purchase Securities" and "Permitted Use of Funds" and "Finder's Fees", the Issuer has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Issuer or a Non-Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, promotional or market-making services in respect of the Issuer or the securities of the Issuer or any Resulting Issuer, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy, loans, advances and bonuses, and
- (b) deposits and similar payments.

Further, no such payment will be made by the Issuer or by any other Person after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Notwithstanding the above, the Issuer may pay or reimburse a Non-Arm's Length Party to the Issuer for reasonable general and administrative expenses of the Issuer (including office supplies, office rent and related utilities, equipment leases, legal services and fees for accounting and advisory services) not exceeding in aggregate \$3,000 per month, and for fees for legal services relating to a Proposed Qualifying Transaction, and the Issuer may also reimburse a Non-Arm's Length Party to the Issuer for reasonable out-of-pocket expenses incurred in pursuing the business of the Issuer described in "Permitted Use of Funds".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non-Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

## **Private Placements for Cash**

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Issuer will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Issuer where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and Agent's Warrants. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties to the Issuer and to Principals of the Resulting Issuer will be subject to escrow.

## **Finder's Fees**

Upon Completion of the Qualifying Transaction, the Issuer and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*:

- (a) to a Person that is not a Non-Arm's Length Party to the Issuer; and
- (b) to a Non-Arm's Length Party to the Issuer, provided that:
  - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
  - (ii) the Qualifying Transaction is not a transaction between the Issuer and an existing public company;
  - (iii) the finder's fee is payable in the form of cash, Listed Shares and/or Warrants only;
  - (iv) the amount of any Concurrent Financing is not included in the value of the measurable benefit used to calculate the finder's fee; and
  - (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders of the Issuer or by the written consent of Shareholders of the Issuer holding more than 50% of the issued Listed Shares of the Issuer, provided that the votes attached to the Listed Shares of the Issuer held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

## **PLAN OF DISTRIBUTION**

### **Agency Agreement and Agent's Compensation**

Pursuant to the Agency Agreement dated as of \_\_\_\_\_, 2021 between the Issuer and the Agent, the Issuer has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 4,000,000 Common Shares as provided in this Prospectus, at a price of \$0.10 per Common Share, for gross proceeds of \$400,000, subject to the terms and conditions contained in the Agency Agreement.

The Agent will receive a commission of 10% of the aggregate gross proceeds of the Offering, such amount being \$40,000. In addition, the Issuer will pay to the Agent an administration fee of \$15,000 and will reimburse the Agent for its reasonable legal fees and expenses.

The Issuer has also agreed to grant the Agent's Warrants to the Agent to purchase 400,000 Common Shares at a price of \$0.10 per Common Share, which Agent's Warrants may be exercised for a period of 5 years from the Listing Date. The Agent's Warrants are qualified under this Prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the

Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Issuer and may make co-brokerage arrangements with other investment dealers at no additional cost to the Issuer. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as provided in the Agency Agreement.

The Company has agreed to notify the Agent of the terms of any further brokered equity financing (or securities convertible into equity) that it requires or proposes to obtain during a period commencing on the date of this agreement and ending on that day (the "**ROFR Termination Date**") which is the earlier of:

- a) the day which falls 24 months from the date the Company's Shares are listed on the Exchange; and
- b) the date of closing of the Qualifying Transaction.

The Agent will have the right of first refusal to provide any such financing proposed during that period.

The Agent will also have a right of first refusal to provide Sponsorship services (if required) for any Qualifying Transaction for the period ending on the ROFR Termination Date.

#### **Commercially Reasonable Efforts Offering and Minimum Distribution**

The total Offering consists of 4,000,000 Common Shares for total gross proceeds of \$400,000. Under the CPC Policy, 75% or 3,000,000 of the total number of Common Shares offered under this Prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 80,000 Common Shares of the total number of Common Shares offered under this Prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser together with that purchaser's Associates and Affiliates is 4% or 160,000 Common Shares of the total number of Common Shares offered under this Prospectus.

The funds received from the Offering will be deposited with the Depository, and will not be released until a minimum of \$400,000 has been deposited. The total subscription must be raised within 90 days from the date a receipt for the Prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Depository will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Depository.

#### **Other Securities to be Distributed**

The Issuer also proposes to grant CPC Stock Options to purchase 600,000 Common Shares to directors and officers in accordance with the policies of the Exchange, which CPC Stock Options are qualified for distribution under this Prospectus.

#### **Determination of Price**

The Offering price per Common Share was determined by negotiation between the Issuer and the Agent.

## **Listing Application**

The Issuer has concurrently applied to list its Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all the listing requirements of the Exchange.

## **Venture Issuers**

As at the date of the prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

## **Restrictions on Trading**

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Warrants and the grant of CPC Stock Options to the directors, officers and technical consultants of the Issuer, no securities of the Issuer will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Commission and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

## **DESCRIPTION OF THE SECURITIES DISTRIBUTED**

The Issuer is authorized to issue an unlimited number of Common Shares without par value, of which 2,000,000 Common Shares are issued and outstanding as fully paid and non-assessable in the capital of the Issuer as at the date hereof. There are no other classes of shares in the capital of the Issuer.

The Issuer, through the Agent, proposes to distribute 4,000,000 Common Shares pursuant to this Prospectus. The holders of Common Shares are entitled to one vote per Common Share at meetings of the shareholders of the Issuer, are entitled to dividends, if, as and when declared by the board of directors, and, upon liquidation, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

400,000 Common Shares will be reserved for issuance pursuant to the Agent's Warrants to be granted to the Agent and 600,000 Common Shares are expected to be reserved pursuant to CPC Stock Options to be granted to the directors and officers of the Issuer. See "Plan of Distribution" and "Options to Purchase Securities". See also "Escrowed Securities".

## **CAPITALIZATION**

The following table sets out the capitalization of the Issuer as at the date hereof before and after giving effect to the Offering:

<b>Designation of Securities</b>	<b>Amount authorized</b>	<b>Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus<sup>(1)</sup></b>	<b>Amount outstanding as of a date within 30 days of the prospectus</b>	<b>Amount to be outstanding upon completion of Offering</b>
Common Shares	Unlimited	2,000,000 (\$100,000)	2,000,000 (\$100,000)	6,000,000 <sup>(2)(3)</sup> (\$500,000)

*Notes:*

- (1) *As at the date of the Issuer's most recent balance sheet (December 31, 2020), the Issuer had not commenced commercial operations.*
- (2) *The above figures do not include Common Shares reserved for issuance upon the exercise of the Agent's Warrants or the CPC Stock Options. Up to 400,000 Common Shares will be reserved for issuance pursuant to the Agent's Warrants. 600,000 Common Shares are expected to be reserved for issuance pursuant to CPC Stock Options.*
- (3) *The proceeds from the sale of the Offering will be \$400,000 before deducting the Agent's commission, administration fee and expenses and the fees, expenses and other costs of the Offering estimated at \$130,000.*

## OPTIONS TO PURCHASE SECURITIES

### Agent's Warrants

As of the date hereof, the Issuer has agreed to grant the Agent's Warrants to the Agent to purchase the equivalent of 10% of the aggregate number of Common Shares sold pursuant to the Offering, as follows:

Warrant Holder	Number of Common Shares Optioned	Exercise Price	Expiry Date
Canaccord Genuity Corp.	400,000	\$0.10 per Common Share	5 years from the Listing Date

### CPC Stock Options

As of the date hereof, the Issuer intends to grant CPC Stock Options to the directors and officers of the Issuer following the Closing of the Offering, as follows:

Optionee	Number of Common Shares Optioned <sup>(1)</sup>	Exercise Price	Expiry Date <sup>(1)</sup>
Joanne Yan	300,000	\$0.10 per Common Share	Five years after the Closing Date
Jackie Cheung	150,000	\$0.10 per Common Share	Five years after the Closing Date
Michael Woods	150,000	\$0.10 per Common Share	Five years after the Closing Date
<b>Total:</b>	<b>600,000</b>		

*Note:*

- (1) *The CPC Stock Options to purchase 600,000 Common Shares to be granted after the closing of this Offering to directors and officers of the Issuer are qualified for distribution pursuant to the Prospectus.*

The Issuer has adopted the stock option granting, pricing, exercise and other requirements of the Exchange as largely contained in section 7 of the CPC Policy. When the CPC Stock Options are granted they will be granted pursuant to such terms. See "Stock Option Terms" below.

### Stock Option Terms

The Board of Directors of the Issuer may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Issuer, non-transferable CPC Stock Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares of the Issuer issued and outstanding as at the date of grant of any CPC Stock Option, and the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of the CPC Stock Option.

The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed two percent (2%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any CPC Stock Option.

The number of Common Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any CPC Stock Option.

The term of a CPC Stock Option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Issuer, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such CPC Stock Option.

All CPC Stock Options and Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the CPC Escrow Agreement. For further details of the escrow requirements and release provisions, see "Escrow Securities".

### **DIVIDEND POLICY**

No dividends have been paid on any of the Common Shares of the Issuer since the date of its incorporation and it is not contemplated that any dividends will be paid in the foreseeable future.

### **PRIOR SALES**

Since the date of incorporation of the Issuer, 2,000,000 Common Shares have been allotted and issued as follows:

<b>Date</b>	<b>Number of Common Shares<sup>(1)</sup></b>	<b>Issue Price per Common Share</b>	<b>Aggregate Issue Price</b>	<b>Consideration Received</b>
December 1, 2020 <sup>(1)</sup>	2,000,000	\$0.05	\$0.05	\$100,000 Cash

*Note:*

*(1) The Common Shares were not authorized to be issued until all cash consideration was received by the end of December, 2020. All above Common Shares are escrowed. See "Escrowed Securities".*

### **ESCROWED SECURITIES**

#### **Securities Escrowed Prior to the Completion of the Qualifying Transaction**

All of the 2,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share (see "Prior Sales"), and all Common Shares that may be acquired from treasury by Non-Arm's Length Parties of the Issuer either under the Offering or otherwise prior to the date of the Final QT Exchange Bulletin will be deposited with the Escrow Agent under the CPC Escrow Agreement.

All CPC Stock Options and all Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the CPC Escrow Agreement.

The following table sets out, as at the date hereof, the number of Common Shares of the Issuer which are held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares Owned	Number of Common Shares held in escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Offering <sup>(1)</sup>	Number of CPC Stock Options held in escrow
Joanne Yan Vancouver, BC	900,000	900,000	45%	15%	300,000
Jackie Cheung Vancouver, BC	900,000	900,000	45%	15%	150,000
Michael Woods West Vancouver, BC	200,000	200,000	10%	3%	150,000
<b>TOTAL:</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>100%</b>	<b>33%</b>	<b>600,000</b>

Note:

(1) *The percentages in this column are calculated on an undiluted basis (do not include the exercise of any proposed stock options, warrants or other convertible securities) and on the basis that the directors do not purchase any of the Common Shares in the Offering. See "Options to Purchase Securities".*

Where the Common Shares of the Issuer which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the CPC Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the CPC Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities which could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of that Company.

Under the CPC Escrow Agreement:

- (a) all CPC Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such CPC Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than CPC Stock Options that were granted prior to the Issuer's IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such CPC Stock Options which will be released from escrow in accordance with (b);
- (b) except for the CPC Stock Options and Common Shares issued pursuant to the exercise of such CPC Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

<b>Release Dates</b>	<b>Percentage to be Released</b>
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
<b>TOTAL</b>	<b>100%</b>

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the CPC Escrow Agreement, upon the issuance by the Exchange of a Bulletin delisting the Issuer, the Escrow Agent is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Issuer that were issued at a price below the Offering price under this Prospectus and all CPC Stock Options and Option Shares held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange Bulletin.

#### **Escrowed Securities On Qualifying Transaction**

Generally, in connection with the Qualifying Transaction, subject to certain exemptions, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the Policies of the Exchange.

### PRINCIPAL SHAREHOLDERS

The following table lists those Persons who own 10% or more of the issued and outstanding Common Shares of the Issuer ("principal shareholders") as at the date hereof:

<b>Name and Municipality of Residence of Shareholder</b>	<b>Type of Ownership</b>	<b>Number of Common Shares</b>	<b>Percentage of Common Shares Prior to Giving Effect to the Offering</b>	<b>Percentage of Common Shares After Giving Effect to the Offering <sup>(1)</sup></b>
Joanne Yan Vancouver, British Columbia	Direct	900,000	45%	15%
Jackie Cheung Vancouver, British Columbia	Direct	900,000	45%	15%
Michael Woods West Vancouver, British Columbia	Direct	200,000	10%	3%

Notes:

- (1) *The figures given in this column are on an undiluted basis. On a fully diluted basis after giving effect to the Offering, the exercise of the Agent's Warrants and the exercise of the CPC Stock Options, Joanne Yan would own 1,200,000 Common Shares or 17.1% of the issued and outstanding Shares of the Issuer, Jackie Cheung would own 1,050,000 Common shares or 15% of the issued and outstanding Shares of the Issuer, and Michael Woods would own 350,000 Common shares or 5% of the issued and outstanding Shares of the Issuer.*

## DIRECTORS, OFFICERS AND PROMOTERS

### Name, Address, Occupation and Security Holdings

The board of directors of the Issuer consists of three (3) persons and there are two executive officers. Each director and officer holds office until the next annual meeting of shareholders or until his or her successor is elected or appointed. An audit committee has been established as a subcommittee of the board of directors. Prescribed information regarding the Issuer's directors and officers is as follows:

Name, Age, Municipality of Residence & Position with the Issuer	Director or Officer Since	Number of Common Shares Owned	Principal Occupation during the Five Preceding Years & Currently
Joanne Yan <sup>(1)</sup> , 63 years old British Columbia, Canada Chief Executive Officer, Chief Financial Officer, Corporate Secretary, and Director	December, 2020 <sup>(2)</sup>	900,000	President of Joy Co. Consulting Services Inc., a wholly owned private company, providing business consulting services. She is also the CEO, CFO, Promoter and a Director of Alphanco Venture Corp., and she is the CEO and a Director of Evermount Ventures Inc. She is an independent contractor of the Issuer. <sup>(3)</sup>
Jackie Cheung <sup>(1)</sup> , 38 years old British Columbia, Canada Director	December, 2020 <sup>(2)</sup>	900,000	COO of Next Level Energy Inc., a private company that manufactures and distributes innovative dietary supplement products. President of Koi Communications Corp., a wholly owned private company, providing communications services to private and public companies. He is an independent contractor of the Issuer. <sup>(3)</sup>
Michael Woods <sup>(1)</sup> , 65 years old British Columbia, Canada Director	December, 2020 <sup>(2)</sup>	200,000	Principal lawyer of Woods & Company, Barrister and Solicitor, a wholly owned law corporation, specializing in securities law. He is an independent contractor of the Issuer. <sup>(3)</sup>

(1) *Member of the Audit Committee of the Issuer.*

(2) *Pursuant to the Business Corporations Act (British Columbia) and the articles of the Issuer, each director's term of office expires at each annual Shareholder meeting. Such Director can stand for re-election at each such Shareholder meeting. A Director may resign his/her position at any time by written notice delivered to the registered office of the Issuer.*

(3) *No Officer or Director of the Issuer has received, nor is entitled to receive, any remuneration or other consideration from the Issuer except CPC Stock Options.*

In addition to any other requirements of the Exchange, the Exchange expects management of the Issuer to meet a high management standard. The directors and officers of the Issuer believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring Significant Assets.

The directors and officers of the Issuer, as a group, own 2,000,000 Common Shares, being 100% of the issued Common Shares of the Issuer as of the date hereof, or approximately 33.3% of the issued and outstanding Common Shares after giving effect to the Offering. The Promoter, Joanne Yan, directly owns 900,000 Common Shares equal to 45% of the issued Common Shares of the Issuer as of the date hereof, or approximately 15% of the issued and outstanding Common Shares after giving effect to the Offering. For particulars of the shareholdings of the directors and officers, see "Principal Shareholders".

The directors of the Issuer have not entered into non-competition or non-disclosure agreements with the Issuer.

Background information with respect to each member of management of the Issuer, including the individual's principal occupation or employment during the five years prior to the date of this Prospectus, is as follows:

***Joanne Yan, Age 63, Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Promoter and Director***

As the CEO, CFO, Corporate Secretary and Promoter of the Issuer, Ms. Yan is the lead member of management of the Issuer. Ms. Yan has extensive public company experience having been a leading director, a governance committee chair and executive officer of numerous companies listed on the TSX Venture Exchange and the Toronto Stock Exchange. Ms. Yan estimates that she will devote 10% to 15% of her time to the business of the Issuer to effectively fulfill her duties thereto. Since September, 1994, Ms. Yan has been President of Joy Co. Consulting Services Inc., a wholly owned private Vancouver, BC company, providing business consulting services particularly with respect to mergers and acquisitions and related public and private financings. Ms. Yan is currently a director of TSX listed Hanwei Energy Services Corp. (symbol: HE), and a director of Nasdaq listed Electrameccanica Vehicles Corp. (symbol: SOLO). Ms. Yan is currently the CEO, CFO and a director (since August, 2018) of Alphanco Venture Corp., a capital pool company, that has announced a Qualifying Transaction in the biotechnology sector which is expected to close in the first quarter of 2021. Ms. Yan is currently a director (since July 2020) and CEO (since October 2020) of Evermount Ventures Inc., a capital pool company, that has announced a Qualifying Transaction with respect to a web-based consumer products company which is expected to close in the first quarter of 2021. She was also a director of Sunshine Oilsands Ltd., a Hong Kong Stock Exchange listed company. From April 2016 until July, 2018, Ms. Yan was the CEO and CFO of TSX-V listed Avanco Capital Corp. (now Hill Street Beverage Company Inc. after completing its Qualifying Transaction in July, 2018, trading symbol BEER).

***Jackie Cheung, Age 38, Director***

Mr. Cheung obtained a Bachelor of Arts from Simon Fraser University in 2005. Mr. Cheung estimate that he will devote 5% of his time to the business of the Issuer to effectively fulfil his duties as a director of the Issuer. Mr. Cheung is currently the COO of Next Level Energy Inc., a Company that manufactures and distributes innovative dietary supplement products. Mr. Cheung is also the President of Koi Communications Corp., which provides communications and marketing consulting services to private and public companies. His company services companies in various sectors, including retail and manufacturing sectors. Mr. Cheung is experienced as a public company director having been a director of CSE listed Delon Resources from January 2011 to April 2013, which completed a reverse takeover transaction with Gener8 Digital Media Corp., a film production company, and a director of Exchange listed Vida Ventures Ltd., a CPC, from January 2011 to November 2013 when it completed its Qualifying Transaction with First Growth Holdings Ltd., a grape wine product distribution and marketing company.

***Michael H. Woods, Age 65, Director***

Mr. Woods obtained a Bachelor of Laws from the University of British Columbia in 1989. Mr. Woods estimates that he will devote 5% of his time to the business of the Issuer to effectively fulfill his duties as a director of the Issuer. Mr. Woods is a lawyer who works as a sole practitioner specializing in securities law at his firm, Woods & Company, in West Vancouver and Vancouver, British Columbia. Mr. Woods has been practicing law for the past 30 years, most of which has involved acting for publicly listed companies. Mr. Woods is currently a director (since August, 2018) of Alphanco Venture Corp., a capital pool company, that has announced a Qualifying Transaction in the biotechnology sector which is expected to close in the first quarter of 2021. Mr. Woods is currently a director (since July 2020) of Evermount Ventures Inc., a capital pool company, that has announced a Qualifying Transaction with respect to a web-based consumer products company which is expected to close in the first quarter of 2021. From April 2016 until July, 2020,

Mr. Woods was the Corporate Secretary (and in September, 2017 was appointed a Director) of Avanco Capital Corp. (now Hill Street Beverage Company Inc. after completing its Qualifying Transaction in July, 2020, trading symbol BEER).

### Other Reporting Issuer Experience

The following table sets out the directors, officers and Promoter of the Issuer that are, or have been within the last five years, directors, officers or Promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Joanne Yan	Hanwei Energy Services Corp.	TSX	Director	October 2005	Present
	Evermount Ventures Inc.	TSX-V	CEO	October 2020	Present
			Director	July 2020	
	Electrameccanica Vehicles Corp.	NASD	Director	February 2019	Present
	Alphanco Venture Corp.	TSX-V	Director, CEO, CFO & Promoter	August 2018	Present
	Skychain Technologies Inc.	TSX-V	Director	September 2018	January 2019
	Hill Street Beverage Company Inc. (formerly Avanco Capital Corp.)	TSX-V	Director, CEO & CFO	April 2016	July, 2018
New Era Minerals Inc.	TSX-V	Director	June 2014	April 2016	
Michael Woods	Evermount Ventures Inc.	TSX-V	Director	July 2020	Present
	Alphanco Venture Corp.	TSX-V	Director & Corporate Secretary	August 2018	Present
	Flow Metals Corp.	CSE	Corporate Secretary	July 2018	Present
	Go Cobalt Mining Corp.	CSE	Corporate Secretary	May 2017	Present
	P&P Ventures Inc.	TSX-V	CFO & Director	March 2018	September 2020
			CEO	March 2018	June 2018
	Hill Street Beverage Company Inc. (formerly Avanco Capital Corp.)	TSX-V	Director	September 2017	July 2018
			Corporate Secretary	April 2016	July 2018
Bullman Minerals Inc.	TSX-V	Corporate Secretary	July 2013	March 2019	

### **Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below with respect to Joanne Yan, to the Issuer's knowledge no director, officer, insider or Promoter of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date of the prospectus, has been a director, officer, insider or Promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Having resigned as a director of Hanfeng Evergreen Inc. ("**Hanfeng**") in December 2013, and in an effort to assist Hanfeng during a financial and management crisis, Joanne Yan consented to being re-appointed a director of Hanfeng on February 24, 2014. Prior to the date of this re-appointment, on February 19, 2014, the Ontario Securities Commission (the "**OSC**") issued a temporary cease-trade order in respect of the shares of Hanfeng as a result of Hanfeng's failure to meet its reporting obligations under applicable securities laws and, subsequently on March 3, 2014, the OSC issued a permanent cease-trade order in respect of the shares of Hanfeng. The securities commissions of British Columbia, Quebec, Manitoba and Alberta issued cease-trade orders in respect of the shares of Hanfeng in February, March, April and June 2014, respectively. On January 15, 2014, the TSX suspended trading in Hanfeng's shares pending clarification of Hanfeng's affairs and, subsequently on June 9, 2014, the TSX delisted Hanfeng's shares as a result of the failure of Hanfeng to meet the continued listing requirements of the TSX. On December 20, 2014, Ernst & Young Inc. was appointed by the Ontario Superior Court of Justice as receiver and manager over all of the assets of Hanfeng. On this date, Joanne Yan resigned as a director of Hanfeng.

### **Penalties or Sanctions**

To the Issuer's knowledge, no director, officer, insider, or Promoter or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such person has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

To the Issuer's knowledge no director, officer insider, or Promoter or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such person has, within the ten years prior to the date of the prospectus, as applicable become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

### **Conflicts of Interest**

There are potential conflicts of interest to which all of the directors, officers, insiders and the Promoter of the Issuer will be subject in connection with the operations of the Issuer. Some of the directors, officers, insiders and the Promoter are engaged in and will continue to be engaged in issuers or businesses which may be in competition with the search by the Issuer for businesses or assets in order to close a Qualifying

Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and the Promoter will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

### **Promoter**

Joanne Yan may be considered to be the Promoter of the Issuer in that she took the initiative in organizing the business of the Issuer. As of the date hereof, Ms. Yan owns 900,000 Common Shares and will be granted 300,000 CPC Stock Options upon the Closing of the Offering. See "Principal Shareholders", "Prior Sales" and "Options to Purchase Securities".

### **Audit Committee**

The audit committee's charter is attached as Schedule "A" to this Prospectus.

The members of the audit committee of the Issuer are all financially literate and are Joanne Yan, who is not an independent member of the committee, Jackie Cheung, who is an independent member of the committee, and Michael Woods, who is an independent member of the committee.

Through their business experience, including as directors of other public companies, the members of the audit committee have an understanding of the accounting principles used by the Issuer to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the account for estimates, accruals and provisions, have experience evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Issuer's financial statements, and an understanding of internal controls and procedures for financial reporting.

The Issuer is relying on the exemption from certain reporting obligations provided by subsection 6.1 of multi-lateral instrument 52-110.

## **EXECUTIVE COMPENSATION**

Except as set out below with respect to Michael Woods or otherwise disclosed in this Prospectus, prior to Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Issuer to a Non-Arm's Length Party to the Issuer or a Non-Arm's Length Party to the Qualifying Transaction, or to any Person engaged in investor relations activities in respect of the securities of the Issuer or any Resulting Issuer by any means, other than:

- (a) grants of CPC Stock Options as described in "Options to Purchase Securities";
- (b) payment for and reimbursement of certain expenses as described in "Use of Proceeds – Permitted Use of Funds" and "Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties"; and
- (c) finder's fees as described in "Use of Proceeds – Finder's Fees".

Further, no payment will be made by the Issuer, or by any party on behalf of the Issuer, after Completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction. Following Completion of the Qualifying Transaction, it is anticipated that the Issuer shall pay compensation to its directors and officers

Michael Woods, Director, is providing legal services as a sole practitioner through Woods & Company and is being compensated by the Issuer with respect to legal services required by the Issuer in carrying out its IPO and seeking a listing on the Exchange. Mr. Woods owns 200,000 common shares of the Issuer and will be granted 150,000 CPC Stock Options upon the Closing of the Offering.

## **DILUTION**

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of \$0.017, or 17%, per Common Share on the basis of there being 6,000,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Issuer.

## **RISK FACTORS**

A purchase of Common Shares of the Issuer is highly speculative, involving a number of substantial risks. The list below outlines material risk factors, which list is not exhaustive, that should be considered by persons considering purchasing the Common Shares:

- (a) the Issuer was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. See "Corporate Structure", "Business of the Issuer" and "Proposed Operations until Completion of a Qualifying Transaction";
- (b) investment in the Common Shares offered by the Prospectus is highly speculative given the proposed nature of the Issuer's business and its present stage of development;
- (c) the directors and officers of the Issuer will only devote a portion of their time to the business and affairs of the Issuer and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Directors, Officers and Promoters" and "Conflicts of Interest";
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to the investor's investment of 17% or \$0.017 per Common Share;
- (e) there can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of the Qualifying Transaction, the Issuer is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Proposed Operations until Completion of a Qualifying Transaction";
- (g) the Issuer has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Issuer will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Issuer will be able to successfully complete the transaction;
- (i) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval. See "Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction";
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Issuer of fair value for the Common Shares;

- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Issuer will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Issuer may be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Issuer completing the proposed Qualifying Transaction. See "Business of the Issuer" and "Trading Halts, Suspension and Delisting";
- (l) trading in the Common Shares of the Issuer may be halted at other times for other reasons, including for failure by the Issuer to submit documents to the Exchange in the time periods required. See "Trading Halts, Suspension and Delisting";
- (m) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (n) in the event that management of the Issuer resides outside of Canada or the Issuer identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;
- (o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Issuer and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Issuer. See "Method of Financing"; and
- (q) subject to prior Exchange acceptance, the Issuer may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Issuer will be able to recover that loan. See "Permitted Use of Funds".

**As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Issuer and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.**

#### **LEGAL PROCEEDINGS**

The Issuer is not currently a party to any actual or pending material legal proceedings to which the Issuer is or is likely to be a party or of which any of its assets are or are likely to be subject. Management of the Issuer is not currently aware of any legal proceedings contemplated against the Issuer.

#### **RELATIONSHIP BETWEEN ISSUER AND AGENT**

Neither the Issuer nor any of its directors or officers is a "connected issuer" or a "related issuer", as those terms are defined in National Instrument 33-105 *Underwriting Conflicts*, of the Agent.

#### **RELATIONSHIP BETWEEN THE ISSUER AND PROFESSIONAL PERSONS**

Michael Woods, a sole legal practitioner and solicitor for the Issuer, is a Director of the Issuer. Mr. Woods directly owns 200,000 Common Shares and will be granted 150,000 CPC Stock Options upon the Closing of the Offering, which represents the sole beneficial interest, direct or indirect, in securities or properties of the Issuer or of an associate or affiliate of the Issuer, held by a professional person as referred to in the CPC Policy, a responsible solicitor or any partner of a responsible solicitor's firm. No other professional person

is expected to be elected, appointed or employed as a director, senior officer or employee of the Issuer or of an associate or affiliate of the Issuer, or a Promoter of the Issuer or of an associate or affiliate of the Issuer.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **Auditors**

The auditors of the Issuer are Mao & Ying LLP with an address of 1488 – 1188 West Georgia Street, Vancouver, BC V6E 4A2.

### **Transfer Agent and Registrar**

The transfer agent and registrar of the Issuer is Odyssey Trust Company, 323 - 409 Granville St, Vancouver, BC V6C 1T2 which has been appointed to maintain the securities register and the register of transfers for the securities of the Issuer which are maintained at Odyssey's offices in Vancouver and Calgary.

## **MATERIAL CONTRACTS**

The Issuer has not entered into, or will not enter into, any contracts or plans material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except

- (a) Agency Agreement between the Issuer and the Agent. See "Plan of Distribution".
- (b) Escrow Agreement between the Issuer, the Escrow Agent and the Principal Shareholders. See "Escrowed Securities".
- (c) Stock Option Plan of the Issuer dated December 1, 2020. See "Options to Purchase Securities".
- (d) Transfer Agent and Registrar Agreement between the Issuer and Odyssey Trust Company dated February 1, 2021. See "Auditors, Transfer Agent and Registrar".

Copies of these documents will be available for inspection at the registered office of the Issuer located at 2110 28th Street, West Vancouver, British Columbia, Canada V7V 4M3, during ordinary business hours while the Common Shares offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Woods & Company, based on the current provisions of the Income Tax Act (Canada) (the "Act") and the regulations thereunder, in force as of the date hereof, and any specific proposals to amend the Act publicly announced by or on behalf of the Minister of Finance Canada prior to the date hereof, provided that, at the particular time, the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Act and which currently includes the Exchange) or the Issuer is otherwise a "public corporation" (as such term is defined in the Act), the Common Shares will, at such particular time, be "qualified investments" under the Act for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan ("RESP"), a deferred profit sharing plan, a registered disability savings plan ("RDSP") and a tax-free savings account ("TFSA"), each as defined under the Act (collectively, the "Plans").

The Common Shares are not currently listed on a designated stock exchange and the Issuer is not currently a "public corporation", as that term is defined in the Tax Act. The Issuer has applied to list the Common Shares on the Exchange as of the day before the Closing of the Offering, followed by an immediate halt in

trading of the Common Shares in order to allow the Issuer to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the Closing of the Offering. The Issuer must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on the Exchange at the time of their issuance on the Closing of the Offering and the Issuer is not otherwise a "public corporation" at that time, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that the Common Shares may be a qualified investment for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA (a "**Registered Plan**"), the annuitant of the RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the "**Controlling Individual**") will be subject to a penalty tax in respect of Common Shares acquired by a Registered Plan if such Common Shares are a "prohibited investment" for the particular Registered Plan. The Common Shares will generally be a "prohibited investment" of a Registered Plan if the Controlling Individual of the Registered Plan does not deal at arm's length with the Issuer for the purposes of the Act or has a "significant interest" (as defined in subsection 207.01(4) of the Act) in the Issuer. In addition, the Common Shares will not be a "prohibited investment" if the Common Shares are "excluded property" as defined in the Act for a Registered Plan.

**Purchasers who intend to hold Common Shares in their Plans, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

#### **OTHER MATERIAL FACTS**

There are no other material facts relating to the securities to be offered and not disclosed elsewhere in this Prospectus.

#### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of British Columbia and Alberta provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation of the said Provinces further provides a purchaser with remedies for rescission or revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal adviser.

#### **FINANCIAL STATEMENTS**

Audited Financial Statements of the Issuer for the 1 month period ended December 31, 2020 and interim quarterly financial statements for the three month period ended March 31, 2021 are attached. The Company has established December 31 as its financial year end.

**AADIRECTION CAPITAL CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON DECEMBER 1, 2020  
TO DECEMBER 31, 2020**

# Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Directors of **AADirection Capital Corp.**

### Opinion

We have audited the financial statements of AADirection Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation on December 1, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on December 1, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Linda Zhu.

Vancouver, Canada  
June ◆ 2021

Chartered Professional Accountants

## **AADIRECTION CAPITAL CORP.**

Statement of Financial Position

As at December 31, 2020

(Expressed in Canadian dollars)

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### **ASSETS**

#### **Current assets**

Cash	\$ 100,000
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<b>Total assets</b>	<b>\$ 100,000</b>
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### **LIABILITIES**

#### **Current liabilities**

Accounts payable and accrued liabilities	\$ 1,553
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	1,553
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### **SHAREHOLDERS' EQUITY**

Share capital (Note 5)	100,000
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Deficit	(1,553)
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	98,447
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<b>Total shareholders' equity and liabilities</b>	<b>\$ 100,000</b>
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Going concern assumption (Note 2)

Approved on behalf of the Board

Director           "Michael Woods"          

Michael Woods

Director           "Joanne Yan"          

Joanne Yan

*The accompanying notes are an integral part of these financial statements*

**AADIRECTION CAPITAL CORP.**

Statement of Loss and Comprehensive Loss

From Incorporation on December 1, 2020 to December 31, 2020

(Expressed in Canadian dollars)

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<b>Expenses</b>	
Office and administration	\$ 1,553
<b>Net loss and comprehensive loss</b>	<b>\$ (1,553)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>2,000,000</b>

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*The accompanying notes are an integral part of these financial statements*

**AADIRECTION CAPITAL CORP.**

Statement of Changes in Equity

From Incorporation on December 1, 2020 to December 31, 2020

(Expressed in Canadian dollars)

	<b>Number of Shares</b>		<b>Share Capital</b>		<b>Deficit</b>		<b>Total Shareholders' Equity</b>
<b>Balance, date of incorporaton on December 1, 2020</b>	—	\$	—	\$	—	\$	—
Shares issued for cash	2,000,000		100,000		—		100,000
Net loss	—		—		(1,553)		(1,553)
<b>Balance, December 31, 2020</b>	<b>2,000,000</b>	<b>\$</b>	<b>100,000</b>	<b>\$</b>	<b>(1,553)</b>	<b>\$</b>	<b>98,447</b>

*The accompanying notes are an integral part of these financial statements*

**AADIRECTION CAPITAL CORP.**

Statement of Cash Flow

From Incorporation on December 1, 2020 to December 31, 2020

(Expressed in Canadian dollars)

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**Cash flows provided by (used in):****Operating activities**

Net loss \$ (1,553)

**Net change in non-cash working capital item**

Accounts payable and accrued liabilities 1,553

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**Net operating cash flows**

—

**Financing activities**

Shares issued for cash 100,000

**Change in cash**

100,000

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**Cash, date of incorporation on December 1, 2020**

—

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**Cash, end of the period**

\$ 100,000

Interest paid in cash \$ —

Income tax paid in cash \$ —

*The accompanying notes are an integral part of these financial statements*

# **AADIRECTION CAPITAL CORP.**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS**

AADirection Capital Corp. (the "Company") is in the process of identifying, evaluating and negotiating an agreement to acquire an interest in a material asset or business. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 1, 2020. The Company is classified as a capital pool Corporation as defined by TSX Venture Exchange Policy 2.4 (the "Exchange Policy"). The Company proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated to negotiate an acquisition or participation subject to receipt of regulatory and shareholder approval, as applicable.

The Company's head office, principal address and registered and records office is 2110 – 28 Street, West Vancouver, B.C., V7V 4M3. The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements of the Company are for the period from incorporation on December 1, 2020 to December 31, 2020 and were authorized for issue on March 9, 2021 by the directors of the Company.

### **2. BASIS OF PRESENTATION**

#### ***Statement of compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting.

#### ***Going Concern Assumption***

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be depending upon the extent to which it can successfully develop its business.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. From incorporation on December 1, 2020 to December 31, 2020, the Company had not commenced any operations, had no profits, had accumulated deficit of \$1,553 and expects to incur losses until it successfully developed its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION (*continued*)**

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

***Judgements and estimates***

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of changes in such estimates on the financial statements in future periods could be significant.

***Basis of measurement***

The consolidated financial statements have been prepared under the historical cost basis except for those as explained in the accounting policies below.

**3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2020, and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company's consolidated financial statements.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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**4 SIGNIFICANT ACCOUNTING POLICIES**

***Cash***

Cash consists of balances held at a large Canadian financial institution.

***Income taxes***

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

***Share Capital***

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

***Earnings (loss) per share***

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

***Financial instruments***

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value, plus transaction costs.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Amortized cost
- Fair value through profit or loss ("FVTPL")
- Fair value through Other Comprehensive Income ("FVTOCI")

Financial assets are classified at FVTPL when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The Company has classified its cash as fair value through profit or loss. The Company's accounts payable and accrued liabilities are classified as amortized cost.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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**5. SHARE CAPITAL**

***Authorized***

The Company is authorized to issue unlimited common shares without par value.

***Issued***

In December 2020, the Company issued 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.

***Escrowed shares***

Under the requirements of the TSX Venture Exchange, the 2,000,000 common shares issued as seed shares will be held in escrow with 25% of the escrowed shares released upon the issuance of the bulletin announcing the acceptance of the Corporation's Qualifying Transaction (the "Initial Release") and 25% thereafter 6, 12, and 18 months from the date of the Initial Release.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel for the period from incorporation on December 1, 2020 to December 31, 2020.

**7. CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on December 1, 2020 to December 31, 2020  
(Expressed in Canadian dollars)

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**8. Income tax**

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	\$
Loss before taxes	(1,553)
Canadian statutory tax rate	27%
Expected recovery	(419)
Change in deferred tax asset not recognized	419
<b>Total income tax expense</b>	<b>—</b>

The Company has non-capital loss of approximately \$1,553 which may be carried forwarded to apply against future income for Canadian tax purpose, subject to final determination by taxation authorities expiring in 2040.

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at December 31, 2020, the Company's financial instruments consist of cash and accounts payable and accrue liabilities. In management's opinion, the Company's carrying value of cash and accounts payable and accrued liabilities approximates the fair value due to the immediate or short-term maturity of this instrument.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1. Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2. Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company's financial instruments are exposed to the following risks. The Company's financial instrument are not subject to material risks of interest rate risk, price risk and currency risk

***Credit Risk***

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management as outlined in Note 7 to the financial statements.

# **AADIRECTION CAPITAL CORP.**

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

**(Unaudited – Expressed in Canadian Dollars)**

**AADIRECTION CAPITAL CORP.**  
Interim Statements of Financial Position  
As at March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

	March 31 2021	December 31 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 84,222	\$ 100,000
	\$ 84,222	\$ 100,000
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 22,501	\$ 1,553
	22,501	1,553
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 3)	100,000	100,000
Deficit	(38,279)	(1,553)
	61,721	98,447
	\$ 84,222	\$ 100,000

Basis of presentation (note 2)

Approved on behalf of the Board

Director "Michael Woods"  
Michael Woods

Director "Joanne Yan"  
Joanne Yan

*The accompanying notes are an integral part of these interim financial statements*

**AADIRECTION CAPITAL CORP.**

Interim Statement of Comprehensive Loss  
For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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<b>Expenses</b>		
Accounting and audit	\$	2,102
Office and administration		190
Legal fees (note 4)		20,650
Listing and filing fees		13,784
<b>Net and comprehensive loss</b>	\$	<b>(36,726)</b>
<b>Basic and diluted loss per share</b>	\$	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>		<b>2,000,000</b>

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*The accompanying notes are an integral part of these interim financial statements*

**AADIRECTION CAPITAL CORP.**  
Interim Statement of Cash Flow  
For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**Cash provided by (used in):**

**Operating activities**

Net loss \$ (36,726)

Non-cash working capital items

Accounts payable and accrued liabilities 20,948

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**Cash used in operating activities (15,778)**

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**Change in cash (15,778)**

**Cash, beginning of the period 100,000**

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**Cash, end of the period \$ 84,222**

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*The accompanying notes are an integral part of these interim financial statements*

**AADIRECTION CAPITAL CORP.**

Interim Statement of Changes in Equity  
For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
<b>Balance at December 31, 2020</b>	2,000,000	\$ 100,000	\$ -	\$ (1,553)	\$ 98,447
Net loss for the period	-	-	-	(36,726)	(36,726)
<b>Balance at March 31, 2021</b>	2,000,000	\$ 100,000	\$ -	\$ (38,279)	\$ 61,721

*The accompanying notes are an integral part of these interim financial statements*

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS**

AADirection Capital Corp. (the "Company") is in the process of identifying, evaluating and negotiating an agreement to acquire an interest in a material asset or business. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 1, 2020. The Company is classified as a capital pool corporation as defined by TSX Venture Exchange Policy 2.4 ("the TSXV Policy"). The Company proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated to negotiate an acquisition or participation subject to receipt of regulatory and shareholder approval, as applicable.

The Company's head office, principal address and registered and records office is 2110 – 28 Street, West Vancouver, B.C., V7V 4M3. The interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These interim financial statements of the Company are for the three months ended March 31, 2021 and were authorized for issue on June 7, 2021 by the directors of the Company. As the Company was incorporated on December 1, 2020, it has no comparative information for the three months ended March 31, 2020.

**2. BASIS OF PRESENTATION**

***Statement of compliance***

These interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, and the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has consistently applied the same accounting policies in its interim financial statements and throughout all periods presented. These interim financial statements do not contain all of the information required for full annual financial statements. These interim financial statements for the three months ended March 31, 2021 should be read in conjunction with the audited financial statements of the Company for the period from incorporation on December 1, 2020 to December 31, 2020 financial statements, which were prepared in accordance with IFRS as issued by the IASB.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION (continued)**

***Going Concern Assumption***

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be depending upon the extent to which it can successfully develop its business.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. For the period ended March 31, 2021, the Company had not commenced any operations, had no profits, had an accumulated deficit of \$38,279 and expects to incur losses until it successfully develops its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

***Measurement Basis***

These interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies within Note 3 of the December 31, 2020 financial statements. All amounts are expressed in Canadian dollars unless otherwise stated.

***New accounting standards issued but not yet effective***

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**3. SHARE CAPITAL**

***Authorized***

Unlimited common shares without par value

***Issued***

Shares issued and outstanding at March 31, 2021 are 2,000,000 (December 31, 2020 – 2,000,000).

In December 2020, the Company issued 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.

***Escrowed shares***

Under the requirements of the TSXV, the 2,000,000 common shares issued as seed shares will be held in escrow with 25% of the escrowed shares released upon the issuance of the bulletin announcing the acceptance of the Company's qualifying transaction (the "Initial Release") and 25% thereafter 6, 12, and 18 months from the date of the Initial Release.

**4. RELATED PARTY TRANSACTIONS**

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the three-month period ended March 31, 2021.

During the three months ended March 31, 2021, the Company incurred professional fees of \$5,000 to a sole practitioner law firm of which, Michael Woods, a director, is the sole practitioner. As of March 31, 2021, \$22,501 is included in accounts payable and accrued liabilities related to these fees and fees paid to agent's legal counsel in connection with the Company's initial public offering.

**5. CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at March 31, 2021, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying value of cash and accounts payable approximates their fair value due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

The Company's financial instruments are not subject to material risk associated with interest rates, prices or currency but are exposed to the following risks:

***Credit Risk***

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at March 31, 2021, the Company had a balance in cash of \$84,222 to settle current liabilities of \$22,501. The Company's financial liabilities include accounts payable which have contractual maturities of 30 days or are due on demand.

The Company manages liquidity risk through its capital management as outlined in Note 5 to the financial statements.

**AADIRECTION CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the three months ended March 31, 2021  
(Unaudited - Expressed in Canadian dollars)

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**6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)**

***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company is not exposed to price risk.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are exposed to interest rate risk as the Company invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents.

***Currency Risk***

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2021, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

**7. RESTRICTED USE OF PROCEEDS**

Until completion of a Qualifying Transaction (as defined by the TSXV Policy), not more than \$3,000 per month may be used for purposes other than to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction (as defined by the TSXV Policy).

## Schedule “A”

### Audit Committee Charter

#### 1. PURPOSE

This charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”), annual evaluation and compliance with this charter. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### 2. COMPOSITION

A majority of the members of the Audit Committee must not be executive officers, as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), or employees or control persons of the Company or of an affiliate of the Company, as these terms are otherwise defined under applicable securities legislation, provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

The Chair of the Audit Committee will be appointed by the Board.

#### 3. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- A. engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- B. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- C. incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

#### 4. DUTIES AND RESPONSIBILITIES

A. The duties and responsibilities of the Audit Committee include:

- (i) recommending to the Board the external auditor to be nominated by the Board;
- (ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (iv) overseeing the work of the external auditor;
- (v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
- (vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- (ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted

- auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
  - (xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
  - (xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
  - (xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
  - (xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
  - (xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
  - (xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
  - (xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
  - (xix) resolving disputes between management and the external auditor regarding financial reporting;
  - (xx) establishing procedures for:
    - a. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto, and
    - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

- (xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
  - (xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
  - (xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
  - (xxiv) establishing procedures for:
    - a. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
    - b. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
    - c. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
    - d. reviewing fraud prevention policies and programs, and monitoring their implementation;
    - e. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
      - i. tax and financial reporting laws and regulations;
      - ii. legal withholding requirements;
      - iii. environmental protection laws and regulations;
      - iv. other laws and regulations which expose directors to liability; and
- B. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- C. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## **5. TERM**

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

## **6. MEETINGS**

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

## **7. REPORTS**

The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

## **8. MINUTES**

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **9. ANNUAL PERFORMANCE EVALUATION**

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the charter, to determine the effectiveness of the Committee.

## CERTIFICATE OF THE ISSUER

**DATE:** June 7, 2021

This Amended and Restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Amended and Restated Prospectus as required by the securities legislation of British Columbia and Alberta.

(signed) "Joanne Yan"

Joanne Yan  
Chief Executive Officer , Chief Financial Officer,

Corporate Secretary and Director

### ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Joanne Yan"

Joanne Yan  
Chief Executive Officer , Chief Financial Officer,  
Corporate Secretary, and Director

(signed) "Jackie Cheung"

Jackie Cheung  
Director

(signed) "Michael Woods"

Michael Woods  
Director

## CERTIFICATE OF THE PROMOTER

**DATE:** June 7, 2021

This Amended and Restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Amended and Restated Prospectus as required by the securities legislation of British Columbia and Alberta.

(signed) "Joanne Yan"

Joanne Yan

Promoter

**CERTIFICATE OF THE AGENT**

**DATE:** June 7, 2021

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Amended and Restated Prospectus as required by the securities legislation of British Columbia and Alberta.

**CANACCORD GENUITY CORP.**

Per: (signed) "Glenda Chin"

Glenda Chin  
Director, Underwriting & Retail Syndication