

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Ontario and with the TSX Venture Exchange Inc. (the "Exchange") but has not yet become final for the purpose of the sale of securities. Information contained in this 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, Alberta and Ontario and with the Exchange.

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. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

August 13, 2018

BMGB CAPITAL CORP.
(a Capital Pool Company)

\$250,000

2,500,000 Common Shares

PRICE: \$0.10 per Common Share

The purpose of this offering (the "**Offering**") is to provide BMGB Capital Corp. (the "**Company**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as herein defined). 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 (as herein defined), must also receive Majority of the Minority Approval (as herein defined) in accordance with Exchange Policy 2.4 (the "**CPC Policy**"). The Company is a Capital Pool Company (a "**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 (as herein defined), the Company 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 Offering is made on a commercially reasonable efforts basis by Haywood Securities Inc. (the "**Agent**") and is subject to a minimum subscription of 2,500,000 common shares of the Company (each a "**Common Share**" and collectively, "**Common Shares**") for total gross proceeds to the Company of \$250,000. See "Plan of Distribution".

	Price to the Public	Agent's Commission⁽¹⁾	Proceeds to the Company⁽²⁾
Per Common Share ⁽³⁾	\$0.10	\$0.0075	\$0.0925
Total Offering ⁽⁴⁾	\$250,000	\$18,750	\$231,250

⁽¹⁾ The Agent has agreed to act as agent in connection with the Offering and will receive a commission equal to 7.5% of the gross proceeds of the Offering (the "**Agent's Commission**"). In addition, the Agent will receive a corporate finance fee of \$8,000 plus applicable taxes. The Agent will be reimbursed for its reasonable expenses incurred pursuant to the Offering, including legal fees. A deposit of \$10,000 was paid by the Company to the Agent as a retainer against the Agent's expenses. As additional compensation, the Company will also grant to the Agent non-transferable options (the "**Agent's Options**") to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at an exercise price of \$0.10 per Common Share for a period of 24 months from the Listing Date (as herein defined). This prospectus qualifies the grant of the Agent's Options. See "Plan of Distribution".

⁽²⁾ Before deducting costs of the Offering, estimated at \$75,000. See "Use of Proceeds".

⁽³⁾ The price per Common Share has been determined by arm's length negotiation between the Company and the Agent.

⁽⁴⁾ A total of 2,500,000 Common Shares are offered hereunder, not including the Common Shares issuable upon exercise of the Agent's Option or Incentive Stock Options. See "Plan of Distribution" and "Incentive Stock Options".

There is currently no market through which the securities offered hereby may be sold and purchasers may not be able to resell securities 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". The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

As at the date of this prospectus, the Company 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, 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.

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Options, and Incentive Stock Options (which are qualified for distribution under this prospectus), trading in all securities of the Company is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the applicable securities regulatory authorities and the time the Common Shares are listed for trading 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.

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company'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".

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total number of Common Shares offered under this prospectus, being 50,000 Common Shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, being 100,000 Common Shares.

The Common Shares are conditionally offered, subject to prior sale, if, as and when issued by the Company, and in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters by Beadle Raven LLP on behalf of the Company and by Getz Prince Wells LLP on behalf of the Agent.

All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement. If the entire Offering 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 persons or companies who subscribed for Common Shares within that period, all subscription funds will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. 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 at the closing of the Offering unless the Agent elects for delivery in electronic book 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.

No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this prospectus.

**HAYWOOD SECURITIES INC.
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GLOSSARY

“**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 securities of the company are held, other than by way of security only, by or for the benefit of that person; and
- (b) the voting securities, 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 ●, 2018, between the Company and the Agent in respect of the Offering.

“**Agent**” means Haywood Securities Inc.

“**Agent’s Commission**” means the commission payable in cash by the Company to the Agent equal to 7.5% of the gross proceeds of the Offering.

“**Agent’s Options**” means the non-transferable options granted by the Company to the Agent to acquire Common Shares in an amount equal to 10% of the number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of 24 months from the Listing Date.

“**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 company to provide financing, sponsorship or other advisory services.

“**Agreement in Principle**” means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction; and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non Arm’s Length Parties to the CPC or the Non Arm’s Length Parties to the Qualifying Transaction.

“**Associate**” when used to indicate a relationship with a person or company, means

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

- (d) in the case of a person, a relative of that person, including,
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his or her 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 corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the TSX Venture Exchange Rule Book with respect to that Member firm, Member corporation or holding company.

“**Common Shares**” means common shares in the capital of the Company.

“**Company**” means BMGB Capital Corp.

“**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Completion of the Qualifying Transaction**” means the date the Final Exchange Bulletin is issued by the Exchange.

“**Control Person**” means any person or company that holds or is one of a combination of persons or companies 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 securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“**Corporate Finance Fee**” means the corporate finance fee payable by the Company to the Agent of \$8,000 plus applicable taxes.

“**CPC**” or “**Capital Pool Company**” means a corporation:

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

“**CPC Policy**” means Exchange Policy 2.4 – *Capital Pool Companies*.

“**Escrow Agreement**” means the escrow agreement dated ●, 2018, among the Company, Computershare Investor Services Inc. as the Escrow Agent, and certain shareholders of the Company.

“**Exchange**” or “**TSX-V**” means the TSX Venture Exchange Inc.

“**Final Exchange Bulletin**” means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“**Incentive Stock Options**” means the non-transferable options to purchase Common Shares pursuant to the stock option plan that was adopted by the Board of Directors of the Company on June 15, 2018.

“**Insider**”, if used in relation to an issuer, means: a director or senior officer of the issuer;

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

“**IPO**” means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

“**Listing Date**” means the date on which the Common Shares are listed on the Exchange.

“**Majority of the Minority Approval**” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (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 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

at a properly constituted meeting of the common shareholders of the CPC.

“**Member**” has the meaning in Rule A.1.00 of the TSX Venture Exchange Rule Book.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements of the Canadian Securities Administrators*.

“**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 Party**” means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

“**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 the subject of the proposed Qualifying Transaction.

“**Offering**” means the offering of Common Shares in accordance with the terms of this prospectus.

“**Option Plan**” means the 10% rolling stock option incentive plan adopted by the Company’s Board of Directors on June 15, 2018.

“**person**” means a company or an individual.

“**Principal**” means:

- (a) a person or company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final 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 Exchange Bulletin;
- (c) a 20% holder – a person or company 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 Exchange Bulletin for non IPO transactions;
- (d) a 10% holder – a person or company 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 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, trust, partnership or other entity 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) "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) above;
- (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; and
- (d) The Exchange 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 Exchange 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.

"Professional Person" means a person whose profession gives authority to a statement made by the Professional Person in the person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist.

"promoter" has the meaning specified in section 1(1) of the *Securities Act* (British Columbia).

"Qualifying Transaction" means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

"Related Party Transaction" has the meaning ascribed to that term under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist

which may compromise the independence of the issuer with respect to the transaction.

“**Responsible Solicitor**” means the solicitor who is primarily responsible for the preparation of or for providing advice to the Company or Agent with respect to the contents of the prospectus.

“**Resulting Issuer**” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investment funds across Canada.

“**Seed Shares**” means securities issued before an issuer’s IPO, or by a private Target Company before a reverse take-over bid, change in business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

“**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 2.2 – *Sponsorship and Sponsorship Requirements*.

“**Sponsor Report**” means the report to be provided to the Exchange by the Sponsor.

“**Target Company**” means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

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

“**Vendors**” means one or all of the beneficial owners of the Significant Assets (other than a Target Company).

PROSPECTUS SUMMARY

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

Company: The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See “Business of the Company”.

Offering: A total of 2,500,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of British Columbia, Alberta and Ontario. In addition, the Company will grant the Agent’s Options to the Agent to purchase such number of Common Shares as is equal to 10% of the number of Common Shares sold pursuant to the Offering, at a price of \$0.10 per Common Share, exercisable for a period of 24 months from the Listing Date. This prospectus qualifies the grant of the Agent’s Options. The issuance of the Incentive Stock Options concurrent with closing of the Offering, which have been granted effective as of the Listing Date to the directors and officers of the Company entitling the purchase of, in aggregate, 450,000 Common Shares exercisable for a period of 10 years from the Listing Date, shall also be qualified under this prospectus. See “Use of Proceeds”, “Plan of Distribution” and “Incentive Stock Options”.

Use of Proceeds: The net proceeds to the Company from prior issuances of Common Shares and the Offering, after the payment of the Agent’s Commission and all other costs and expenses relating thereto, are estimated to be \$270,000. The net proceeds of the Offering and proceeds from the prior sale of Common Shares will be used to provide the Company 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 Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds realized by the Company in respect of the sale of its securities; and (ii) \$210,000 may be used for purposes other than evaluating businesses or assets. See “Use of Proceeds”, “Business of the Company” and “Risk Factors”.

Directors & Officers: The directors and officers of the Company are as follows:

Lucas Birdsall Chief Executive Officer and Director

Patrick O’Flaherty Chief Financial Officer

Brian Morrison Director

Sean Bromley Director

See “Directors, Officers and Promoters”.

Escrowed Securities: All of the currently issued and outstanding Common Shares of the Company, being 2,000,000 Common Shares, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “Escrowed Securities”.

Risk Factors: Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company’s business and its present stage of development. The Company 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 Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of

their time and attention to the affairs of the Company and there may be potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, investors acquiring Common Shares offered under this prospectus will suffer an immediate dilution of approximately 22.2% or \$0.0222 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and investors may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company 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 Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. See “Corporate Structure”, “Business of the Company”, “Directors, Officers and Promoters”, “Use of Proceeds” and “Risk Factors”.

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 or 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”.

CORPORATE STRUCTURE

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 21, 2018 as 1161317 B.C. Ltd. and changed its name to “BMGB Capital Corp.” on June 4, 2018.

The head office of the Company is located at #609 - 1887 Crowe Street Vancouver, British Columbia V5Y 0B4 and the registered office is located at Suite 600, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

BUSINESS OF THE COMPANY

Preliminary Expenses

As at June 30, 2018 the Company had incurred approximately \$5,000 in preliminary expenses comprised of accounting and legal expenses. From June 30, 2018 to the date of this prospectus, the Company has incurred additional expenses of approximately \$15,500 related to Exchange and securities regulatory authority filing fees. A portion of the proceeds of the Offering will be used to satisfy the obligations of the Company related to the Offering, including the expenses of its legal counsel and auditor and the fees of the Agent and the Agent’s legal counsel. See “Use of Proceeds”.

Proposed Operations Until Completion of a Qualifying Transaction

The Company 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, will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The sector in which the Company will pursue a Qualifying Transaction is not currently known by the Company.

Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a 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 “Restrictions on Use of Proceeds” and “Private Placements for Cash”, the funds raised pursuant to the 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. The Company has not entered into an Agreement in Principle.

Method of Financing Participation or Acquisitions

The Company may use either cash, bank financing, issuance of treasury shares, public financing of debt or equity, or a combination of these, 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 Company and may cause shareholders’ interest in the Company to be further diluted.** See “Risk Factors”.

Criteria for Qualifying Transaction

The Board of Directors of the Company 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 Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The acquisition of, or participation in, companies, assets or businesses may arise in numerous ways. The Company has not established pre-determined criteria for such acquisitions or participations other than sound business fundamentals. Such fundamentals include but are not limited to: (a) the ratio of risk to reward; (b) the cost effectiveness of the participation or acquisition; (c) the length of the payout period; and (d) the rate of return.

REGULATORY AND SHAREHOLDER APPROVAL

Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction

Upon the Company reaching an Agreement in Principle, the Company must issue a comprehensive news release, at which time the Exchange generally will halt trading of the 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 Company shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Company, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Exchange Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Company must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction, as well as the fact that the filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of shareholders.

Unless waived by the Exchange, the Company will also be required to retain a Sponsor, who must be a Member of the Exchange and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the policies of the Exchange. The Company will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (a) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) 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 Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Company from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

Upon Completion of the Qualifying Transaction, 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 the applicable 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 an Agreement in Principle 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, the 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 Company fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the Company 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.

The Exchange may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the Company within 24 months of the Listing Date. In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting, the Company 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 Company, determine to deal with the remaining assets in some other manner. See "Shareholder Approval of a Non Arm's Length Qualifying Transaction" and "Refusal of Qualifying Transaction".

If the Company does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Company must:

- (a) either:
 - (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Company had delisted from the Exchange, or
 - (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non Arm's Length Parties to the Company so that the average cost of the remaining seed shares is at least equal to the Offering price; and
- (b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non Arm's Length Parties of the Company.

If the Company lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

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 aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) Member firms of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firms; and
 - (iii) Associates of any such person,
 collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) 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 gross proceeds to the Company from prior sales of Common Shares and the sale of Common Shares pursuant to the Offering will be \$350,000.

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

Cash proceeds raised prior to the Offering ⁽¹⁾	\$100,000
Approximate expenses and costs incurred by the Company relating to incorporation of the Company, prior issuances of Common Shares, expenses and costs relating to the Offering (including legal fees and disbursements), filing fees and preparation for the year-end audit	(20,500)
Cash proceeds to be raised pursuant to the Offering ⁽²⁾	250,000
Balance of estimated expenses and costs relating to the Offering not paid as of the date of this prospectus (including listing fees, filing fees, printing costs, Corporate Finance Fee, Agent’s Commission, Agent’s legal fees and expenses and legal and audit fees of the Company), which costs will be paid out of proceeds of the Offering ⁽³⁾	(59,500)
Estimated funds available (on completion of Offering)	<u>\$270,000</u>
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾	\$225,500
Estimated general and administrative expenses until Completion of the Qualifying Transaction (for a period of 24 months from completion of the Offering)	44,500
Total net proceeds	<u>\$270,000</u>

⁽¹⁾ See “Prior Sales”.

⁽²⁾ In the event the Agent exercises the Agent’s Options, there will be available to the Company an additional \$25,000, which will be added to the working capital of the Company. In the event all Incentive Stock Options are exercised, there will be available to the Company an additional \$45,000, which will be added to the working capital of the Company. There is no assurance that all, or any part of, the Agent’s Options or the Incentive Stock Options will be exercised.

⁽³⁾ A deposit of \$10,000 was paid by the Company to the Agent as a retainer against the Agent’s expenses.

⁽⁴⁾ In the event that the Company enters into an Agreement in Principle prior to spending its available funds on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Company’s purposes, the proceeds 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 the Offering and the prior sale of Common Shares, after deducting the expenses associated with the 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 Company may commit. See “Risk Factors”.

Permitted Use of Proceeds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “Restrictions on Use of Proceeds”, “Private Placements for Cash” and “Prohibited Payments to Non Arm’s Length Parties”, the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate businesses or assets and, if required, obtain shareholder approval for a proposed Qualifying Transaction. See “Business of the Company” and “Risk Factors”.

The proceeds may be used for expenses incurred for the preparation of:

1. valuations or appraisals;
2. business plans;
3. feasibility studies and technical assessments;
4. sponsorship reports;
5. engineering or geological reports;
6. financial statements, including audited financial statements;
7. fees for legal and accounting services; and
8. agent's fees, costs and commissions;

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm's Length Qualifying Transaction, obtaining of shareholder approval for the Company's proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Company to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of the Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000 will be used for purposes other than those described above. For greater certainty, expenditures which are not included under "Permitted Use of Proceeds" include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Company, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and share certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Proceeds".

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Company 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 Company 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 \$5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to a private placement to Non Arm's Length Parties to the Company and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm's Length Parties

Except as described under "Incentive Stock Options" and "Restrictions on Use of Proceeds", the Company 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 Company or a Non Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

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

Further, no such payment will be made on or after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Company may reimburse a Non Arm's Length Party to the Company for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases) and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Company or in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares of the Company), and the Company may also reimburse a Non Arm's Length Party to the Company for reasonable out-of-pocket expenses incurred in pursuing the business of the Company described in "Permitted Use of Proceeds".

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.

PLAN OF DISTRIBUTION

Agent's Compensation

Pursuant to the Agency Agreement, the Company has appointed the Agent as its agent to offer for sale to the public in the provinces of British Columbia, Alberta and Ontario, on a "commercially reasonable efforts" basis, 2,500,000 Common Shares, as provided in this prospectus, at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$250,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission equal to 7.5% of the gross proceeds of the Offering. In addition, the Company will pay to the Agent a corporate finance fee of \$8,000 plus applicable taxes. The Company will reimburse the Agent for its reasonable expenses incurred pursuant to the Offering. The Company has paid to the Agent a retainer of \$10,000 against the Agent's expenses.

The Company has also agreed to grant to the Agent the Agent's Options to purchase such number of Common Shares as is equal to 10% of the number of Common Shares sold under the Offering, being an aggregate of 250,000 Common Shares, at an exercise price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Listing Date. The grant of the Agent's Options is qualified under this prospectus. Not more than 50% of the aggregate number of Common Shares which can be acquired by the Agent on the exercise of the Agent's Options 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 its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Company and may make co-brokerage arrangements with other investment dealers at no additional cost to the Company. 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 stated in the Agency Agreement.

Offering and Minimum Distribution

The total Offering consists of 2,500,000 Common Shares at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$250,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total number of Common Shares offered under this prospectus, or 50,000 shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, or 100,000 shares. The funds received from the Offering will be deposited with the Agent and will not be released until the entire offering of \$250,000 has been deposited. The total

subscription must be raised within 90 days of the date that 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 Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Company has granted to its directors and officers Incentive Stock Options to purchase, in aggregate, 450,000 Common Shares at an exercise price of \$0.10 per Common Share, which Incentive Stock Options will become effective on the Listing Date and will be exercisable until the date that is 10 years after the Listing Date in accordance with the policies of the Exchange, which Incentive Stock Options are qualified for distribution under this prospectus. See "Incentive Stock Options".

Determination of Price

The price of the Common Shares offered pursuant to the Offering was determined by arm's length negotiation between the Company and the Agent.

Listing Application

The Company has applied to list its Common Shares on the Exchange. Listing is subject to the Company fulfilling all the listing requirements of the Exchange.

As at the date of this prospectus, the Company 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, 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.

Subscriptions by and Restrictions on Agent

The Agent has advised the Company that, to the best of its knowledge and belief, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing has subscribed for Common Shares of the Company prior to the date hereof.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the total issued and outstanding Common Shares of the Company exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 - *Filing Requirements and Continuous Disclosure*.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Options and Incentive Stock Options, no securities of the Company will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the applicable securities regulatory authorities 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 SECURITIES DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares, of which, as of the date hereof, 2,000,000 Common Shares are issued and outstanding.

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably

the remaining assets of the Company, subject to the rights of holders of the preferred shares.

In addition, up to 2,500,000 Common Shares will be issued pursuant to this prospectus, up to 250,000 Common Shares may be issued upon the exercise of the Agent’s Options and up to 450,000 Common Shares may be issued upon the exercise of the Incentive Stock Options. See “Plan of Distribution” and “Incentive Stock Options”.

CAPITALIZATION

<u>Capital</u>	<u>Authorized</u>	<u>Amount Outstanding as of June 30, 2018⁽¹⁾</u>	<u>Amount Outstanding as of ●, 2018</u>	<u>Amount to be outstanding following the completion of the Offering⁽²⁾⁽³⁾</u>
Common Shares	Unlimited	\$100,000 (2,000,000 Common Shares)	\$100,000 (2,000,000 Common Shares)	\$350,000 (4,500,000 Common Shares)

⁽¹⁾ As at the date of the most recent balance sheet of the Company, it had not commenced commercial operations.

⁽²⁾ The Company will issue up to 250,000 Common Shares upon the exercise of the Agent’s Options and up to 450,000 Common Shares upon exercise of Incentive Stock Options. See “Plan of Distribution” and “Incentive Stock Options”.

⁽³⁾ Before deducting the costs and expenses of the Offering, estimated to be \$75,000, including the Agent’s Commission and the Corporate Finance Fee. See “Use of Proceeds”.

INCENTIVE STOCK OPTIONS

The Board of Directors of the Company has adopted a 10% rolling stock option incentive plan (the “**Option Plan**”) pursuant to which it may from time to time, in its discretion and in accordance with the Exchange requirements, grant to “**Eligible Persons**” (as defined in the Option Plan) non-transferable options to purchase Common Shares (collectively, the “**Incentive Stock Options**”) exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, Eligible Persons under the Option Plan are the Company’s directors, officers or technical consultants (where permitted by applicable securities laws) and their permitted assigns; and following Completion of the Qualifying Transaction by the Company, any director, executive officer, employee, consultant, investor relations person or management company employee of the Company or any affiliate of the Company and their permitted assigns (as those terms are defined by the policies of the Exchange and National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended from time to time).

The aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate such number of Common Shares as is equal to 10% of the Common Shares issued and outstanding at the time of a grant; provided that, for so long as the Company is a CPC under the policies of the Exchange, such number cannot exceed 10% of the aggregate number of Common Shares issued and outstanding upon completion of the Company’s initial public offering, which, presuming the Offering is completed as proposed, is a reserve of 450,000 Common Shares. For so long as the Company is a CPC, the number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. If an optionholder does not carry on as a director, officer or technical consultant of the Company upon Completion of the Qualifying Transaction, then such optionholder’s options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “Escrowed Securities”.

The Company’s Board of Directors has granted to its directors and officers Incentive Stock Options to purchase, in aggregate, 450,000 Common Shares according to the following terms, which Incentive Stock Options will become effective on the Listing Date:

Name	Number of Common Shares under option ⁽¹⁾	Exercise price per Common Share	Expiry date
Lucas Birdsall	225,000	\$0.10	10 years from the Listing Date
Sean Bromley	75,000	\$0.10	10 years from the Listing Date
Brian Morrison	75,000	\$0.10	10 years from the Listing Date
Patrick O’Flaherty	75,000	\$0.10	10 years from the Listing Date
Total	450,000		

⁽¹⁾ In accordance with Exchange policies, all Common Shares acquired on exercise of Incentive Stock Options prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “Escrowed Securities”.

The Incentive Stock Options to purchase 450,000 Common Shares granted to the Company’s directors and officers (subject to regulatory approval) are qualified for distribution pursuant to this prospectus.

PRIOR SALES

Since the date of incorporation of the Company, 2,000,000 Common Shares have been issued as set out below and are currently outstanding.

Date	Number of Common Shares	Issue Price per Share	Aggregate issue price	Consideration received
June 1, 2018	2,000,000	\$0.05	\$100,000	Cash
Total	2,000,000		\$100,000	

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of Qualifying Transaction

All of the 2,000,000 Common Shares issued prior to the Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Company either under the Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to the Offering will be deposited with Computershare Investor Services Inc. pursuant to the terms of the Escrow Agreement.

All Common Shares acquired on exercise of Incentive Stock Options prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. In addition, all Common Shares of the Company acquired in the secondary market prior to the Completion of the Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares of the Company that will be held in escrow pursuant to the terms of the Escrow Agreement.

Name and municipality of residence of shareholder	Number of Common Shares held in escrow	Percentage of Common Shares prior to completion of the Offering	Percentage to be owned assuming completion of Offering ⁽¹⁾
Lucas Birdsall Vancouver, British Columbia	1,400,000	70%	31.11%
Sean Bromley Vancouver, British Columbia	200,000	10%	5%
Brian Morrison North Vancouver, British Columbia	250,000	12.5%	5.56% %
Patrick O’Flaherty North Vancouver, British Columbia	150,000	7.5%	3.33%
Total	2,000,000	100%	44.44%

⁽¹⁾ Assuming no Common Shares are purchased by such persons pursuant to the Offering.

Where the Common Shares of the Company that are required to be held in escrow are held by a non-individual (a “**holding company**”), each holding company pursuant to the Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the 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 Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “**Initial Release**”) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange’s Tier 1 initial listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

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 Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, each Non Arm’s Length Party to the Company who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the transfer agent to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company, or
- (b) if the Company lists on NEX board of the Exchange, either:
 - (i) cancel all Seed Shares purchased by Non Arm’s Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm’s Length Parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the Offering price under this prospectus.

Escrowed Securities On Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are “Value Securities”, then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (a “**Value Security Escrow Agreement**”). “Value Securities” are securities issued pursuant to a transaction for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a “**Surplus Security Escrow Agreement**”).

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities, being releasable every six months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with: 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Company and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Company or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Company or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who legally or beneficially own, directly or indirectly, 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof.

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage owned prior to Completion of Offering	Percentage owned following Completion of Offering
Lucas Birdsall Vancouver, BC	Direct	1,400,000	70%	31.11%

⁽¹⁾ Assuming no Common Shares are purchased by Mr. Birdsall pursuant to the Offering.

⁽²⁾ Following the completion of the Offering, the fully-diluted share capital of the Company will be 5,200,000 Common Shares, and assuming the exercise of his Incentive Stock Options and assuming no Common Shares are purchased by him pursuant to the Offering, the shareholdings of Lucas Birdsall on a fully-diluted basis will be 1,625,000 Common Shares or approximately 31.25%.

DIRECTORS, OFFICERS AND PROMOTERS

The following table sets out, for each of the Company's directors, officers and promoters, the person's name, positions with the Company, municipality of residence, principal occupation(s) during the five years prior to the date of this prospectus and the date the person became a director or an officer of the Company. The term of office of each of the directors will expire at the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time.

Name, Residence and Current Position with the Company	Date Appointed ⁽¹⁾	Principal Occupation or Employment during the Past Five Years	Number of Common Shares ⁽²⁾	Percentage on Completion of Offering ⁽³⁾⁽⁴⁾
Lucas Birdsall ⁽¹⁾⁽⁵⁾ Vancouver, BC Director, CEO and Promoter	April 21, 2018	CFO, Secretary and director of Triangle Industries Ltd., an investment company, from April 2018 to present; CEO, CFO and director of Pharmalogix Investments Corp., an investment company, from November 2017 to present; Corporate business development, NetCents Technology Inc., an electronic payment processor, from May 2017 to November 2017; account executive at Experis-Veritaaq Technology Inc., a workforce solutions company, from November 2015 to May 2017; underwriting trainee at Northbridge Financial Corp., a business insurance provider, from May 2015 to November 2015.	1,400,000	31.11%

Name, Residence and Current Position with the Company	Date Appointed (1)	Principal Occupation or Employment during the Past Five Years	Number of Common Shares (2)	Percentage on Completion of Offering (3)(4)
Patrick O’Flaherty North Vancouver, BC CFO	June 1, 2018	Investment consultant at O’Flaherty Consulting, a consulting firm, from December 2017 to present; accountant at Masuch + Mellios LLP, an accounting firm, from December 2014 to December 2017; investment advisor at CIBC Wood Gundy, an investment company, from May 2011 to November 2014.	150,000	3.33%
Sean Bromley (1) Vancouver, BC Director	June 1, 2018	Consultant, self-employed, from May 2015 to present; CFO of Loopshare Ltd., a technology company, from December 2015 to June 2016, and from May 2017 to present; Investment Advisor at Jordan Capital Markets, an investment company, from January 2014 to May 2015; Trainee at Jordan Capital Markets from October 2013 to January 2014; unemployed from September 2011 to October 2013.	200,000	4.44%
Brian Morrison (1) North Vancouver, BC Director	June 1, 2018	Corporate Secretary of Millennial Lithium Corp., a mineral exploration and development company, from October 2017 to present; CFO of ML Gold Corp., a mineral exploration and development company, from June 2014 to present; CFO of Letho Resources Corp., a mineral exploration and development company, from September 2012 to present; CFO of Windfire Capital Corp., an investment company, from April 2011 to present.	250,000	5.56%

(1) Member of the Audit Committee. The Company does not have any other committees.

(2) These shares are subject to escrow restrictions (see “Escrowed Securities”) and do not reflect a total of up to 450,000 Common Shares issuable on exercise of Incentive Stock Options granted to the Company’s directors and officers, which Incentive Stock Options will be effective on the Listing Date (see “Incentive Stock Options”).

(3) Assuming no Common Shares are purchased by such persons pursuant to the Offering.

(4) As of the date of this prospectus, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, 100% of the issued and outstanding Common Shares of the Company. Following completion of this Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly 44.44% of the Company’s issued and outstanding Common Shares, assuming no Common Shares are purchased by such persons pursuant to the Offering.

(5) As of the date of this prospectus, the promoter of the Company, Lucas Birdsall, owns 70% of the issued and outstanding Common Shares of the Company. Assuming completion of the Offering, the promoter of the Company will own 31.11% of the then issued and outstanding Common Shares of the Company.

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

Management of the Company

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years. None of the Company's directors or officers are employees or independent contractors of the Company, and none of the Company's directors or officers have entered into a non-competition or non-disclosure agreement with the Company.

Lucas Birdsall – Chief Executive Officer and Director (Age: 27)

Mr. Birdsall is an alumnus of the Beedie School of Business at Simon Fraser University. He is presently engaged as an independent consultant to private and public companies. Mr. Birdsall is a director of Cameo Cobalt Corp, Demara Gold Corp. and is CFO and director of Triangle Industries Ltd. He was previously an account executive for Experis-Veritaaq Technology Inc., managing enterprise accounts in both the health care and transportation verticals, and also recently a corporate business development consultant at NetCents Technology Inc. To Mr. Birdsall's knowledge, all of his employers during the last five years are carrying on business as of the date of this prospectus. Mr. Birdsall has not signed a non-disclosure agreement or non-competition agreement with the Company.

Mr. Birdsall intends to dedicate approximately 30% of his working time to the affairs of the Company.

Patrick O'Flaherty – Chief Financial Officer (Age: 44)

Mr. O'Flaherty is a Chartered Accountant and a Chartered Financial Analyst. He also holds a degree in Economics from Union College, in Schenectady, NY. Mr. O'Flaherty has several years of experience in financial services, including public accounting and wealth management. He has worked for a recognized accounting firm and two recognized banking institutions. Mr. O'Flaherty has not signed a non-disclosure agreement or non-competition agreement with the Company.

Mr. O'Flaherty intends to devote approximately 15% of his working time to the affairs of the Company.

Sean Bromley – Director (Age: 28)

Mr. Bromley holds a Bachelor of Commerce from the University of Calgary. He is currently an independent consultant to private and public companies. In addition, Mr. Bromley has been a director since August 2015 of Inform Resources Corp., a junior mining company listed on the TSX Venture Exchange; director of White Gold Corp. since November 2015, a gold exploration company listed on the TSX Venture Exchange; a director of Pacific Rim Cobalt since October 2017, a junior mining company listed on the Canadian Securities Exchange; a director since December 2015 and Chief Financial Officer since May 2017 of Loopshare Ltd, a technology company listed on the TSX Venture Exchange; a director since May 2018 of Triangle Industries Ltd., a shell company listed on the NEX; and a director since December 2017 of Atlas Cloud Enterprises, a technology company listed on the Canadian Securities Exchange.

From December 2016 to March 2017, Mr. Bromley was a director and Chief Executive Officer of Winston Resources Corp., a junior mining company listed on the Canadian Securities Exchange. To Mr. Bromley's knowledge, all of his employers during the last five years are carrying on business as of the date of this prospectus. Mr. Bromley has not signed a non-disclosure agreement or non-competition agreement with the Company.

Mr. Bromley intends to dedicate approximately 10% of his working time to the affairs of the Company.

Brian Morrison – Director (Age: 36)

Mr. Morrison received a Bachelor of Commerce degree from the University of Northern British Columbia in 2004 and completed the Canadian securities course in 2006. Since June 2008, he has been a self-employed consultant working in the area of public company administration. Mr. Morrison currently serves and has previously served as a director or as chief financial officer of various publicly traded issuers. Mr. Morrison has not signed a non-disclosure

agreement or non-competition agreement with the Company.

Mr. Morrison intends to dedicate approximately 5% of his working time to the affairs of the Company.

Reporting Issuer Experience

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors and officers of other issuers that are or were reporting issuers in a Canadian jurisdiction.

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Exchange</u>	<u>Position(s)</u>	<u>From</u>	<u>To</u>
Lucas Birdsall	Cameo Cobalt Corp.	TSXV	Director	Dec 2017	Present
	Express Capital Corp.	None	Director	Aug 2017	Present
	Triangle Industries Ltd.	NEX	CFO, Secretary and Director	Apr 2018	Present
	Pharmalogix Investments Corp.	None	CEO, CFO and Director	Nov 2017	Present
	Damara Gold Corp.	TSXV	Director	May 2018	Present
Patrick O'Flaherty	None				
Sean Bromley	White Gold Corp.	TSXV	Director	Nov 2015	Present
	Loopshare Ltd.	TSXV	Director	Dec 2015	Present
	Loopshare Ltd.	TSXV	CFO	May 2017	Present
	Loopshare Ltd.	TSXV	CFO	Dec 2015	June 2016
	Pacific Rim Cobalt Corp.	CSE	Director	Oct 2017	Present
	Inform Resources Corp.	TSXV	Director	Aug 2015	Present
	Atlas Cloud Enterprises Inc.	CSE	Director	Dec 2017	Present
	Winston Resources Corp.	TSXV	CEO and Director	Dec 2016	Mar 2017
	Triangle Industries Ltd.	NEX	Director	May 2018	Present
Brian Morrison	Windfire Capital Corp.	TSXV	CFO and Director	Apr 2011	Present
	Millennial Lithium Corp.	TSXV	Corporate Secretary and Director	July 2010	Present
	Letho Resources Corp.	TSXV	CFO and Director	Mar 2014	Present
	ML Gold Corp.	TSXV	CFO and Director	Nov 2016	Present
	Decade Resources Ltd.	TSXV	Director	Aug 2012	Present
	Seaway Energy Services Inc.	TSXV	Director	Apr 2014	April 2016

	High North Resources Ltd.	TSXV	Director	Oct 2010	Nov 2013
	High North Resources Ltd.	TSXV	CFO and Corporate Secretary	Nov 2012	May 2013
	Saber Capital Corp.	TSXV	Director	July 2011	Sept 2013

Promoter

Lucas Birdsall, Chief Executive Officer, and a director of the Company, took the initiative in founding the Company and is therefore deemed to be its “promoter” within the meaning of the *Securities Act* (British Columbia). Mr. Birdsall owns 1,400,000 Common Shares representing 70% of the Company’s total issued and outstanding share capital as at the date of this prospectus. In addition, the Company has granted to Mr. Birdsall Incentive Stock Options to purchase up to 225,000 Common Shares. See “Principal Shareholders” and “Incentive Stock Options”.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers, insiders or promoters of the Company or shareholders holding a sufficient number of securities of the Company to materially affect the control of the Company is, or has been within 10 years before the date of the prospectus, a director, officer, insider or promoter of any other issuer that was, during his or her tenure, the subject of a cease trade order or similar order or an order that denied that issuer access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the issuer.

Penalties or Sanctions

No director, officer, insider or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company, has: (a) 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 (b) 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

None of the directors, officers, insiders or promoters of the Company or shareholders holding a sufficient number of securities of the Company to materially affect the control of the Company has, during the past 10 years, been declared bankrupt, made a proposal under bankruptcy or insolvency legislation or 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.

Indebtedness of Directors and Officers

None of the directors or officers of the Company or any of their respective Associates or Affiliates has been indebted to the Company since the date of the Company’s incorporation.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Company will be subject in connection with the operation of the Company. The directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. See “Directors, Officers and Promoters”. Accordingly, situations may arise where the directors, officers, insiders and promoters will be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a

breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflict, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

EXECUTIVE COMPENSATION

Except as set out below 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 Company to a Non Arm's Length Party to the Company 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 Company or any Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finders' fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Company may reimburse Non Arm's Length Parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursements**"). Since the Company's incorporation and as at the date of this prospectus, no Permitted Reimbursements have been made. No reimbursement may be made for any payment made to lease or buy a vehicle. The directors and officers of the Company have been, and in the future may be, granted Incentive Stock Options (see "Incentive Stock Options").

Following Completion of the Qualifying Transaction, the Company may pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Company or by any party on behalf of the Company after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Assuming completion of the Offering, investors acquiring Common Shares offered under this prospectus will suffer an immediate dilution of approximately 22.2% or \$0.0222 per Common Share, on the basis of there being 4,500,000 Common Shares of the Company issued and outstanding upon completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised pursuant to the Offering and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Company.

Gross proceeds of prior share issues	\$100,000
Gross proceeds of this Offering	250,000
Total gross proceeds after this Offering.....	\$350,000
Offering price per share	\$0.10
Proceeds per share after this Offering.....	\$0.0778
Dilution per share to subscriber	\$0.0222
Percentage of dilution in relation to offering price	22.2%

RISK FACTORS

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Company'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.

No Proposed Business

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Company has not identified a potential asset or business for acquisition or participation and has not entered into an Agreement in Principle as defined in the CPC Policy. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Business of the Company".

No Market or History of Operations

The Company does not have a history of operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. There is no market for the Common Shares and there can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. This Offering should be considered highly speculative due to the fact that the Company was only recently incorporated. The price of these securities to the public and the commission to the Agent was established by arm's length negotiation between the Company and the Agent.

Directors' and Officers' Involvement in Other Projects

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company 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. Certain directors, officers, insiders and promoters of the Company are directors, officers, insiders and promoters of other Capital Pool Companies and as such are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where the directors, officers, insiders and promoters will be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflict, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia). See "Directors, Officers and Promoters" and "Conflicts of Interest".

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

Dilution

Assuming completion of the Offering, investors acquiring Common Shares under this prospectus will suffer an immediate dilution of approximately 22.2% or \$0.0222 per Common Share, before the deduction of selling commissions and related expenses incurred by the Company. 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 Company and assuming no exercise of the Agent's Options or Incentive Stock Options. If the Company issues treasury shares for financing purposes, control of the

Company may change and subscribers may suffer additional dilution. See “Dilution”.

Requirement for Additional Financing

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior Exchange acceptance, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business as a non-refundable and/or unsecured deposit without shareholder approval, and there can be no assurance that the Company will be able to recover that loan. See “Business of the Company” and “Use of Proceeds”.

Non-Acceptance by the Exchange

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 Minority Approval.

No Dissent Rights

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other applicable 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 other entitlement to payment by the Company of fair value for the Common Shares.

Trading Halt

Upon public announcement of a proposed Qualifying Transaction, trading in Common Shares of the Company 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 Company will 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 Company completing the proposed Qualifying Transaction. Trading of the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Possible Trading Suspension or Delisting

The Exchange will generally suspend trading of the Common Shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date of the Common Shares. Neither the Exchange, nor any securities regulatory authority, passes upon the merits of the proposed Qualifying Transaction. See “Business of the Company”.

Foreign Qualifying Transaction

In the event that the management of the Company resides outside of Canada or the Company 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.

As a result of these factors, this Offering is suitable only to investors who are willing to rely solely on the management of the Company 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 Company is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

The Company is not a “related issuer” or a “connected issuer” of or to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*). See “Plan of Distribution”.

RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS

No Professional Person, Responsible Solicitor or a partner of a Responsible Solicitor’s firm holds any beneficial interest, direct or indirect, in any securities or properties of the Company or of an Associate or Affiliate of the Company.

No Professional Person is or is expected to be elected, appointed or employed as a director, senior officer, employee or promoter of the Company or of an Associate or Affiliate of the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, of 1140 West Pender Street, Suites 1500 and 1700, Vancouver, British Columbia V6E 4G1.

The transfer agent and registrar for the Common Shares of the Company is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Since incorporation, the Company has not entered into any contracts material to investors in the Common Shares other than contracts in the ordinary course of business and the following:

1. the Escrow Agreement dated ●, 2018, among the Company, Computershare Investor Services Inc. as Escrow Agent and certain shareholders of the Company (see “Escrowed Securities”); and
2. the Agency Agreement dated ●, 2018, between the Company and the Agent (see “Plan of Distribution”).

Copies of these agreements will be available for inspection at the offices of Beadle Raven LLP, Suite 600, 1090 West Georgia Street, Vancouver, British Columbia, at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

To management’s knowledge, there are no other material facts about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada 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. In several provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, or in some jurisdictions damages, if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission 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.

BMGB Capital Corp.

Financial Statements

For the Period Ended June 30, 2018

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of BMGB Capital Corp.:

We have audited the accompanying financial statements of BMGB Capital Corp., which comprise the statements of financial position as at June 30, 2018, the statements changes in shareholders' equity and cash flows for the period from April 21, 2018 (inception) to June 30, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BMGB Capital Corp. as at June 30, 2018, and its financial performance and its cash flows for the period from April 21, 2018 (inception) to June 30, 2018 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the BMGB Capital Corp.'s ability to continue as a going concern.

Vancouver, Canada
August , 2018

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

BMGB Capital Corp.
Statement of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2018
Assets	
Current	
Cash	\$ 22,500
Subscription receivables (Notes 3 and 6)	72,500
Prepaid expenses	5,000
Total Assets	\$ 100,000
Shareholders' Equity	
Share capital (Note 3)	\$ 100,000
Total Liabilities and Shareholders' Equity	\$ 100,000

Nature of and continuance of operations (Note 1)
Events after the reporting period (Note 6)

Approved on behalf of the Board on August , 2018:

Brian Morrison, Director

Sean Bromley, Director

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

BMGB Capital Corp.

Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Accumulated Deficit	Total Shareholders' Equity
Balance, beginning of the period	-	\$ -	\$ -	\$ -
Common shares issued for cash (Note 3)	2,000,000	100,000	-	100,000
Balance, June 30, 2018	2,000,000	\$ 100,000	\$ -	\$ 100,000

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

BMGB Capital Corp.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the Period from April 21, 2018 (inception) to June 30, 2018
Cash used in operating activities	
Net loss for the period	\$ -
Changes in non-cash working capital balances	
Prepaid expenses	(5,000)
Net cash used by operating activities	(5,000)
Cash provided by financing activities	
Shares issued for cash	27,500
Net cash provided by financing activities	27,500
Change in cash	22,500
Cash, beginning	-
Cash, ending	\$ 22,500

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

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

1. Nature and continuance of operations

BMGB Capital Corp. (the “Company”) was incorporated in the Province of British Columbia on April 21, 2018. The Company’s registered and records office is Suite 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company was formed for the primary purpose of completing an Initial Public Offering (“IPO”) on the TSX Venture Exchange (“Exchange”) as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the Exchange. As a CPC, the Company’s principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). A CPC has 24 months from when the shares are listed on the Exchange to complete a Qualifying Transaction. Such a transaction will be subject to shareholder and regulatory approval. Until completion of the Qualifying Transaction, the Company 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.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2018, the Company has not generated any revenue since inception. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

(a) Statement of Compliance to International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

(b) Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted. The policies set out below were consistently applied to all periods presented unless otherwise noted.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(c) Use of Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

(d) Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

(e) Cash

Cash includes cash on hand held at call with banks.

(f) Financial Instruments

(i) Financial assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial Instruments (continued)

(i) Financial assets (continued)

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classifies cash as loans and receivables.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial Instruments (continued)

(i) Financial assets (continued)

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For financial assets carried at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Company does not have any liabilities classified as non-derivative financial liabilities.

(g) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(h) Share-based Payments

The Company's Stock Option Plan allows directors, officers and consultants to acquire shares of the Company in exchange for the options exercised. The fair value of share options granted to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(i) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) Loss Per Share

Basic loss per share amounts are calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share amounts are determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(k) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2018, and have not been applied in preparing these financial statements.

IFRS 16 – Lease (effective for annual periods beginning on or after January 1, 2019).

The Company anticipates that the application of the above new and revised standard, amendment and interpretation will have no material impact on its results and financial position.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Share Capital

(a) Authorized

The Company has authorized an unlimited number of common shares with no par value.

(b) Issued Share Capital

During the period from inception on April 21, 2018 to June 30, 2018, the Company issued 2,000,000 common shares of the Company at a price of \$0.05 per share. As at June 30, 2018, \$27,500 was received in cash. The remainder of \$72,500 was received in July, 2018 (Note 6).

(c) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX Venture Exchange policies, and provided that, if the Company is a CPC, the Option Price shall not be lower than the IPO Share Price. The options can be granted for a maximum term of 10 years.

On June 15, 2018, the Company issued 450,000 stock options to directors and officers, options will not be exercisable until the Company's common shares are listed in the TSX Venture Exchange, and they are expired 10 years from the date of listing of the Company's common shares.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

3. Share Capital (continued)

(c) Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable at June 30, 2018:

Number of Shares	Exercise Price	Expiry Date
450,000	\$0.10	10 years from the date of listing of common shares

(d) Share-based Payment Reserve

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

4. Related Party Transactions

During the period from inception on April 21, 2018 to June 30, 2018, the Company does not have any transactions with related parties.

5. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

	June 30, 2018
Loans and receivables	-
Cash	\$ 22,500

The fair value of financial assets at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

(b) Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

BMGB Capital Corp.

Notes to the Financial Statements

For the period from inception on April 21, 2018 to June 30, 2018

(Expressed in Canadian Dollars)

5. Financial Instruments (continued)

(b) *Management of Financial Risks (continued)*

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's liquidity and operating results may be adversely affected if its access to the capital markets are hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

6. Events after the Reporting Period

In July, 2018, the Company received \$72,500 of share subscription receivable at June 30, 2018 in full (Note 3).

On June 1, 2018, the Company entered into a letter of intent ("LOI") with Haywood Securities Inc. ("Haywood"). Per the LOI, Haywood will act as exclusive agent for an initial public offering ("IPO") by the Company as a Capital Pool Company ("CPC") and listing of its common shares on the Exchange. The total to be offered will be 2,500,000 common shares with price of \$0.10 per common share. The total proceeds of the offering will be \$250,000. The Company will pay corporate finance fee of \$8,000, pay commission of 7.5% of the gross proceeds in cash and issue agent's warrants equal to 10% of the number of shares sold in the offering, exercisable for 24 months following the closing date. As at the end of the reporting date, all common shares have not been listed on the Exchange.

CERTIFICATE OF COMPANY

Dated: August 13, 2018.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in British Columbia, Alberta and Ontario and the regulations thereunder.

“Lucas Birdsall”
Lucas Birdsall
Chief Executive Officer

“Patrick O’Flaherty”
Patrick O’Flaherty
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Sean Bromley”
Sean Bromley
Director

“Brian Morrison”
Brian Morrison
Director

CERTIFICATE OF PROMOTER

Dated: August 13, 2018.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in British Columbia, Alberta and Ontario and the regulations thereunder.

“Lucas Birdsall”

Lucas Birdsall

Promoter

CERTIFICATE OF AGENT

Dated: August 13, 2018.

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 prospectus as required by the securities legislation of British Columbia, Alberta and Ontario and the regulations thereunder.

HAYWOOD SECURITIES INC.

“Don Wong”

By: Don Wong
Vice-President, Investment Banking