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## PROSPECTUS

INITIAL PUBLIC OFFERING

March 27, 2018

**PONDEROUS PANDA CAPITAL CORP.**  
**(a capital pool company)**

**\$600,000**

**2,000,000 COMMON SHARES**

**PRICE: \$0.30 per Common Share**

The purpose of this offering (the **“Offering”**) is to provide Ponderous Panda Capital Corp. (the **“Corporation”**) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the Exchange, and in the case of a Non-Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 entitled **“Capital Pool Companies”** (the **“CPC Policy”**). The Corporation is a Capital Pool Company (**“CPC”**) as such term is hereafter defined. 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 Completion of the Qualifying Transaction (as defined herein), the Corporation 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. See **“Business of the Corporation”** and **“Use of Proceeds”**. The Corporation hereby offers through its agent, Canaccord Genuity Corp. (the **“Agent”**), 2,000,000 common shares (the **“Common Shares”**) at a price of \$0.30 per Common Share for gross proceeds of \$600,000. Stock Options (as defined herein) to purchase Common Shares will be granted on the date the Common Shares are listed on the Exchange (as defined herein) to directors and officers of the Corporation to purchase up to 306,500 Common Shares, at a price of \$0.30 per Common Share for a period of 10 years from the date of grant, subject to regulatory approval (the **“Stock Options”**).

## Distribution

	Common Shares	Price to the Public	Agent's Commission <sup>(1)</sup>	Net Proceeds to the Corporation <sup>(2)</sup>
Per Common Share	1	\$0.30	\$0.03	\$0.27
Total Offering	2,000,000 <sup>(3)</sup>	\$600,000	\$60,000	\$540,000

### Notes:

- (1) The Agent will receive a cash commission of 10% of the gross proceeds of the Offering, payable at the closing of the Offering. The Agent will be paid an administration fee of \$15,000 and will be reimbursed by the Corporation for its expenses and legal fees, of which a retainer of \$15,000 has been paid. In addition, the Agent will be issued non-transferable share purchase warrants (the "**Agent's Warrants**") entitling the Agent to purchase that number of Common Shares that is equal to 10% of the total number of Common Shares sold in connection with this Offering. Each Agent's Warrant is exercisable into one Common Share at a price of \$0.30 per Common Share (the "**Agent's Share**") for a term of 24 months from the date of listing of the Common Shares on the Exchange. The Agent's Warrants are qualified for distribution pursuant to this prospectus. The Agent's Warrants may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50% of the aggregate number of Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. See "**Plan of Distribution**".
- (2) Before deducting the costs and expenses of this Offering estimated in the aggregate amount of \$100,000, which includes legal and audit fees and other expenses of the Corporation, the Agent's expenses, legal fees and administration fee, the listing fee payable to the Exchange and filing fees payable to the Commissions. See "**Use of Proceeds**".
- (3) 2,000,000 Common Shares are offered hereunder, not including the Agent's Warrants and the Stock Options to be granted on the date the Common Shares are listed on the Exchange to directors and officers of the Corporation to purchase up to 306,500 Common Shares at a price of \$0.30 per Common Share for a period of 10 years from the date of grant, which Stock Options are qualified for distribution under this prospectus. See "**Options to Purchase Securities**".

The Offering is made on a "commercially reasonable efforts" basis only by the Agent and is subject to the completion of a minimum subscription of 2,000,000 Common Shares for gross proceeds to the Corporation of \$600,000. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement. If the minimum subscription is not completed within 90 days of the issuance of a final receipt for this prospectus or such other time as may be consented to by the Agent, and in any event not later than 180 days after the date of the receipt of the prospectus, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "**Plan of Distribution**".

## Market for Securities

The Exchange has conditionally accepted the listing of the Corporation's Common Shares. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

As at the date of this prospectus, Ponderous Panda Capital Corp. 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 Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the issue of the Agent's Warrants and the grant of the Stock Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission (collectively, the "**Commissions**") 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 Commissions grant a discretionary order.

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

**This Offering is subject to the CPC Policy and other applicable policies of the Exchange.**

**The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Corporation was only recently incorporated and does not own any ongoing business operations, and has no assets other than cash.**

**Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle. There is no assurance that the Corporation will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable.**

**Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of Common Shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer additional dilution.**

**The directors and officers of the Corporation will only be devoting a portion of their time to the affairs of the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. The directors and officers of the Corporation currently beneficially own, directly or indirectly, 65.73% of the issued and outstanding Common Shares and will own 22.84% of the issued and outstanding Common Shares after completion of the Offering. See "Business of the Corporation", "Directors, Officers and Promoters", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".**

**In the event that management, directors or experts of the Corporation are resident outside of Canada or the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management, directors or experts resident outside of Canada or upon the foreign business or the Resulting Issuer (as defined herein) and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated**

**upon the civil liability provisions applicable to securities or other laws in Canada. See “Business of the Corporation”, “Risk Factors” and “Conflicts of Interest”.**

**Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 17.37% or \$0.0521 per Common Share assuming completion of the Offering, based on the gross proceeds of this issue, before the deduction of selling commissions or related expenses of the issue. See “Business of the Corporation”, “Risk Factors” and “Conflicts of Interest”.**

**AS A RESULT OF THE AFOREMENTIONED RISK FACTORS WHICH ARE ONLY A SUMMARY THEREOF, THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE WILLING TO RELY SOLELY ON THE MANAGEMENT OF THE CORPORATION AND WHO CAN AFFORD TO RISK A 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% or 40,000 of the total Common Shares offered under this prospectus. 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% or 80,000 of the total number of Common Shares offered under this prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Common Shares will be issued and deposited in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. 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.

Two of the directors of the Corporation, Paul M. Laur and Hooi Hing Lee reside outside of Canada. Although these directors have appointed David Smalley Law Corp. of 2300 -1066 West Hastings Street as their agent for service of process in British Columbia it may not be possible for investors to collect from the directors, judgments obtained in courts in British Columbia predicated on the civil liability provisions of securities legislation.

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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, entitled 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 March 27, 2018 between the Corporation and the Agent.

**“Agent”** means Canaccord Genuity Corp.

**“Agent’s Warrants”** means the non-transferable share purchase warrants to be issued by the Corporation to the Agent to purchase that number of Common Shares that is equal to 10% of the Common Shares sold in connection with this Offering at a price of \$0.30 per Common Share, exercisable for a period of 24 months from the date of listing the Common Shares on the Exchange.

**“Aggregate Pro Group”** means all Persons who are members of any **“Pro Group”**, whether or not the Member (as defined in Exchange rules) is involved in a contractual relationship with the Corporation to provide financing, sponsorship and other advisory services, and **“Pro-Group”** has the following meaning:

- (a) Subject to subparagraphs (b), (c) and (d), **“Pro Group”** shall include, either individually or as a group:
  - (i) the Member (as defined in Exchange rules);
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;
  - (iv) Affiliates of the Member; and
  - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the exchange determines that the Person is not acting at arm’s length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm’s length to 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 is 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.

**“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 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 relationship in the application of Rule D of the Exchange with respect to that Member firm, Member corporation or holding Company.

**“Board”** means the board of directors of the Corporation.

**“CPC”** 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 Escrow Agreement”** means the Exchange Form 2F CPC Escrow Agreement made as of February 15, 2018 among the Corporation, the Escrow Agent and the initial shareholders of the Corporation.

**“CPC Filing Statement”** means the Filing Statement of the CPC prepared in accordance with the Exchange Form of Filing Statement (Form 3B2) which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

**“CPC Information Circular”** means the Information Circular of the CPC prepared in accordance with applicable securities laws and the Exchange Form of Information Circular (Form 3B1) which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

**“CPC Policy”** means Policy 2.4 Capital Pool Companies of the Corporate Finance Manual of the Exchange.

**“Commissions”** mean the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

**“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 that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting 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.

**“Corporation”** means Ponderous Panda Capital Corp.

**“Escrow Agent”** means Computershare Investor Services Inc.

**“Exchange”** 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.

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

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;
- (c) 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
- (d) the issuer itself if it holds any of its own securities.

**“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.

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

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

**“Offering”** means the offering by the Corporation of 2,000,000 Common Shares at a price of \$0.30 per Common Share for gross proceeds of \$600,000, which shares are qualified for distribution under this prospectus.

**“Person”** means a Company or 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 initial public offering (“**IPO**”) prospectus or Exchange Bulletin confirming final acceptance of a transaction (“**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.

**"Professional Person"** means a Person whose profession gives authority to a statement made by the 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.

**"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.

**"Responsible Solicitor"** means the solicitor who is primarily responsible for the preparation of or for advice to the Corporation 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.

**"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 minimum listing requirements of the Exchange.

**"Sponsor"** has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

**"Stock Options"** mean options to be granted on the date the Common Shares are listed for trading on the Exchange, to directors and officers of the Corporation to purchase up to 306,500 Common Shares of the Corporation, at a price of \$0.30 per Common Share for a period of 10 years from the date of grant.

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

**"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 this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.*

- ISSUER:** Ponderous Panda Capital Corp.
- OFFERING:** A total of 2,000,000 Common Shares in the capital of the Corporation are being offered under this prospectus at a price of \$0.30 per Common Share for gross proceeds of \$600,000. This Offering is being made on a commercially reasonable efforts basis by the Agent. The Agent will receive a cash commission of 10% of the gross proceeds of the Offering. In addition, the Corporation will issue to the Agent non-transferable share purchase warrants to purchase up to 200,000 Common Shares, which is equal to 10% of the Common Shares sold in connection with this Offering, at a price of \$0.30 per Common Share, exercisable for a period of 24 months from the date the Common Shares are listed for trading on the Exchange, which warrants are qualified for distribution under this prospectus. The Corporation also intends to grant Stock Options to purchase up to 306,500 Common Shares to directors and officers of the Corporation on the date the Common Shares are listed on the Exchange, at a price of \$0.30 per Common Share for a period of 10 years from the date of grant, which Stock Options are qualified for distribution under this prospectus. See “**Plan of Distribution**” and “**Options to Purchase Securities**”.
- PRICE:** \$0.30 per Common Share.
- BUSINESS OF THE CORPORATION:** The Corporation is a capital pool company created pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any potential Qualifying Transaction must be approved by the Exchange, and in the case of a Non Arm’s Length Qualifying Transaction, the potential Qualifying Transaction must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation 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 Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. See “**Business of the Corporation**” and “**Use of Proceeds**”.
- USE OF PROCEEDS:** The net proceeds to the Corporation from the Offering and cash proceeds raised from the sale of Common Shares prior to this Offering will be approximately \$599,751 (after deduction of the Agent’s Commission and the Offering expenses and costs, estimated to be \$160,000). The net proceeds of this Offering will be used to provide the Corporation 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 Corporation 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 30% of the gross proceeds realized from the sale of securities issued by the Corporation and \$210,000 may be used for purposes other than evaluating businesses or assets, subject to obtaining a waiver from the Exchange. See “**Use of Proceeds**”, “**Business of the Corporation**” and “**Risk Factors**”.

**DIRECTORS AND OFFICERS:**

The following persons are the directors and officers of the Corporation:

Larry K. Doan:	Director and Chairman
Andrew T. Hunter:	Corporate Secretary
Mike Y. C. Kao:	Director
Nicolette A. Keith:	Director
Paul M. Laur:	Director
Hooi Hing Lee:	Director
Rodney W. Reum:	Director and C.F.O
David W. Smalley:	Director, President and C.E.O.

See “Directors, Officers and Promoters”.

**DIVIDEND POLICY:**

It is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. See “**Dividend Policy**”.

**ESCROWED SHARES:**

All of the currently issued and outstanding Common Shares of the Corporation, being 1,065,004 Common Shares issued at \$0.15 per Common Share, will be deposited in escrow pursuant to the terms of the CPC 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 is highly speculative due to the nature of the Corporation’s business and its present stage of development.**

The Exchange has conditionally accepted the listing of the Corporation’s Common Shares. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

The Corporation 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 Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 17.37% or \$0.0521 per Common Share. There can be no assurance that an active and liquid market for the Corporation’s Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation 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 Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

The Corporation has granted the Agent a right of first refusal for all brokered equity financings to expire on the earlier of 24 months from the date the Corporation’s Common Shares are listed on the Exchange and the date the Corporation completes its Qualifying Transaction.

## THE CORPORATION

### Name and Incorporation

Ponderous Panda Capital Corp. (the “**Corporation**”) was incorporated on March 22, 2017, pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name “Ponderous Panda Capital Corp.”. The registered and records office of the Corporation is located at Suite 2300-1066 W. Hastings Street, Vancouver, British Columbia, V6E 3X2. The head office of the Corporation is located at Suite 2300 – 1066 W. Hastings Street, Vancouver, British Columbia, V6E 3X2.

The share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, 1,065,004 Common Shares are issued and outstanding.

The Corporation has no subsidiaries.

## BUSINESS OF THE CORPORATION

### Preliminary Expenses

As at the date hereof, the Corporation has incurred preliminary expenses with respect to this Offering of approximately \$60,000 being the retainers paid to the Agent and the Corporation’s legal counsel, David Smalley Law Corp. (see ‘**Material Contracts**’) Certain of the proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel and the Agent’s legal counsel, the listing fee payable to the Exchange and filing fees payable to the Commissions. See “**Use of Proceeds**”.

### Proposed Operations until Completion of a Qualifying Transaction

The Corporation is a CPC created pursuant to the CPC Policy. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. To date, the Corporation has not conducted commercial operations of any kind other than to enter into discussions for the purpose of identifying potential acquisitions or interests in commercially viable businesses or assets. The Corporation does not own any assets, other than cash. See “**Risk Factors**”.

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

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

### Method of Financing

The Corporation may use cash, bank financing, issuance of treasury shares or public financing of debt or equity, or a combination thereof, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders’ interest in the Corporation to be further diluted.**

### Criteria for a Qualifying Transaction

The Corporation will consider acquisitions of assets or businesses operated or located both inside and outside of Canada, as permitted by the CPC Policy. All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. Approval of acquisitions will be made by the board of directors. The board of directors will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors. The

board of directors of the Corporation 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 Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive press release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under **"Business of the Corporation – Trading Halts, Suspensions and Delisting"**. Within 75 days after the issuance of such press release, the Corporation shall be required to submit for review to the Exchange either a CPC Information Circular that complies with applicable corporate and securities laws or a CPC Filing Statement that complies with the Exchange requirements. The CPC Information Circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A CPC Filing Statement must be submitted where a Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or shareholder approval is not otherwise required. The CPC Information Circular or CPC Filing Statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must either:

- (i) file the CPC 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 CPC Filing Statement is available on SEDAR; or
- (ii) mail the CPC Information Circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of the shareholders.

Unless waived by the Exchange, the Corporation 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 Corporation 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:

- (i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of the Majority of the Minority Approval of the Qualifying Transaction;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final 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 Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

### **Change of Name of the Corporation**

The *Business Corporations Act* (British Columbia) allows shareholders of a company to authorize a change of the company's name to a name that is to be chosen by the directors. The change of name will require acceptance for filing by the Exchange, and will become effective upon the filing of a Notice of Alteration with the BC Registry Services.

On January 10, 2018 the existing shareholders of the Corporation passed a special resolution authorizing the directors to change the name of the Corporation to reflect the new business of the Corporation when it has acquired assets or a business. If the directors decide to change the name of the Corporation, then the new name will be disclosed in the CPC Filing Statement or CPC Information Circular.

## **Initial Listing Requirements**

The Resulting Issuer must satisfy the Exchange's minimum 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 Acknowledgement Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

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

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

A trading halt may also be imposed by the Exchange where the Corporation 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 CPC 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 Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Common Shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation 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 Corporation, determine to deal with the Corporation or its remaining assets in some other manner. See "**Business of the Corporation – Filings and Shareholder Approval of Non Arm's Length Qualifying Transaction**".

If the Corporation 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 Corporation must:

- (a) either: (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the Corporation at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation 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 Corporation 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 Arms Length Parties of the Corporation.

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

## **Refusal of a Qualifying Transaction**

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

- (a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the Exchange;

- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
- (i) a member firm of the Exchange;
  - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; 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) any other reason at the sole discretion of the Exchange.

## USE OF PROCEEDS

### Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the Offering will be \$600,000. The expenses and costs of the Offering incurred to date and expected to be incurred (in total) are \$160,000 (inclusive of agent's commission, administration fee and expenses). The gross proceeds received by the Corporation from the sale of 1,065,004 Common Shares prior to the date of this prospectus total \$159,751 for which there were no expenses and costs. The estimated funds to be available to the Corporation from the sale of Common Shares distributed under this prospectus and prior sales of Common Shares is approximately \$599,751. The following table indicates the principal uses to which the Corporation proposes to use the total funds available to it upon the completion of this Offering:

Cash proceeds raised from the sale of Common Shares prior to this Offering <sup>(1)</sup>	\$ 159,751
Expenses and costs related to raising of cash proceeds	\$ 0
Cash proceeds to be raised pursuant to this Offering <sup>(2)</sup>	\$ 600,000
Expenses and costs relating to the Offering (including Exchange listing fee; prospectus filing fees of the Commissions; Agent's commission; administration fee and legal fees and expenses of the Agent; legal fees of the Corporation's law firm and audit fees; and other expenses of the Corporation)	\$ (160,000)
<b>Estimated funds available (on completion of the Offering)</b>	<b>\$ 599,751</b>
Funds available for identifying and evaluating assets or business prospects <sup>(2)(3)</sup>	\$ 499,751
Estimated general and administrative and legal expenses until Completion of a Qualifying Transaction	\$ 100,000
Total Net Proceeds	<b>\$ 599,751</b>

#### Notes:

(1) See "Prior Sales". Rounded up by \$0.40 to \$159,751

- (2) In the event the Agent exercises the Agent's Warrants and all of the Stock Options are exercised, there will be available to the Corporation a maximum of an additional \$151,950 which will be added to the working capital of the Corporation. There is no assurance that any of the Agent's Warrants or Stock Options will be exercised.
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$499,751 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 Corporation'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 this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

### **Permitted Use of Funds**

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Use of Proceeds – Restrictions on Use of Proceeds", "Use of Proceeds – Private Placements for Cash" and "Use of Proceeds – Prohibited Payments to Non Arm's Length Parties", the gross proceeds realized from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction, if required pursuant to the CPC Policy or applicable corporate laws.

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

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering and geological reports;
- (f) financial statements;
- (g) fees for legal and accounting services; and
- (h) 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, the obtaining of shareholder approval for the Corporation'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 Corporation 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 prior acceptance of the Exchange.

### **Restrictions on Use of Proceeds**

Until Completion of a Qualifying Transaction, no more than the lesser of (i) 30% of the gross proceeds from the sale of all securities issued by the Corporation (\$227,925 based on gross proceeds of \$759,751 after giving effect to this Offering) and (ii) \$210,000,

may be used for purposes other than those described above. For greater certainty, expenditures which are not included as **“Use of Proceeds – Permitted Use of Funds”**, listed above, 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 Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus), equipment leases, news dissemination services; and fees for legal advice and audit services relating to matters other than those described above under **“Use of Proceeds – Permitted Use of Funds”**.

No proceeds from the sale of securities of the Corporation may be used to acquire or lease a vehicle.

No proceeds from the sale of securities of the Corporation have been used to pay any fees or salaries to or to acquire a vehicle for any director, officer or shareholder of the Corporation.

### **Private Placements for Cash**

After the closing of this Offering and until the Completion of the Qualifying Transaction, the Corporation 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 Corporation 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 the private placement to Non Arm’s Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

### **Prohibited Payments to Non Arm’s Length Parties**

Except as described under **“Options to Purchase Securities”** and **“Use of Proceeds – Restrictions on Use of Proceeds”**, the Corporation has not made, and until 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 Corporation 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, directors’ fees, finders’ fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

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

Notwithstanding the above, the Corporation may reimburse a Non Arm’s Length Party to the Corporation 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 Corporation or in the case of a law firm, no member of the firm, owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm’s Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in **“Use of Proceeds – Permitted Use of Funds”**.

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

## PLAN OF DISTRIBUTION

### **Name of Agent and Agent's Compensation**

Pursuant to the Agency Agreement, the Corporation has appointed Canaccord Genuity Corp. as its agent to offer for distribution to the public, on a commercially reasonable efforts basis, 2,000,000 Common Shares in the share capital of the Corporation as provided in this prospectus, at a price of \$0.30 per Common Share for gross proceeds of \$600,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive a commission equal to 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Corporation will pay to the Agent an administration fee of \$15,000 and will pay the Agent's legal fees and expenses, which are estimated to be in the amount of \$15,000 and for which a retainer of \$15,000 has been paid by the Corporation to the Agent.

The Corporation has also agreed to issue to the Agent non-transferable share purchase warrants to purchase up to 200,000 Common Shares, which is equal to 10% of the Common Shares sold in connection with this Offering, at a price of \$0.30 per Common Share (the "**Agent's Warrants**"), which may be exercised for a period of 24 months from the date the Common Shares are listed for trading on the Exchange. All of the Agent's Warrants are qualified for distribution under this prospectus. The Agent's Warrants may be exercised in whole or in part by the Agent before the Completion of the Qualifying Transaction, provided that no more than 50% of the aggregate number of Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Corporation granted the Agent a right of first refusal on all brokered equity financings for a period ending on the day that is the earlier of 24 months from the date the Common Shares of the Corporation are listed on the Exchange and Completion of the Qualifying Transaction.

Other than as described in this prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other Person or Company in connection with the Offering.

The Offering will be made in accordance with the rules and policies of the Exchange and with the consent of the Exchange. The closing of the Offering will take place at such time as the Corporation and the Agent may agree, provided that subscriptions for the full amount of the Offering have been received.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for all of the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. 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.

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

The total Offering is of 2,000,000 Common Shares for total gross proceeds of \$600,000. Under the CPC Policy, no purchaser of Common Shares is permitted to purchase more than 2% or 40,000 of the total Common Shares in the Offering (\$12,000). In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% or 80,000 of the total number of Common Shares under the Offering (\$24,000). The funds received from the Offering will be deposited with the Agent, and will not be released until all proceeds from the Offering have been deposited and the Agent consents to the release thereof. Subscriptions of 2,000,000 Common Shares for total gross proceeds of \$600,000 must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by the Agent and Persons or Companies who subscribed within that period, and in any event not later than 180 days after the date of the receipt for the prospectus, 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 Being Distributed**

The Corporation also proposes to grant Stock Options to directors and officers of the Corporation, on the date the Common Shares are listed on the Exchange, in accordance with the policies of the Exchange, which options are qualified for distribution under this

prospectus. The Stock Options entitle the holders to purchase up to 306,500 Common Shares at a price of \$0.30 per Common Share and such options may be exercised for a period of 10 years from the date of grant. See “**Options to Purchase Securities**”.

#### **Determination Price**

The price of this Offering has been determined by negotiation between the Corporation and the Agent in accordance with the CPC Policy.

#### **Listing Application**

The Exchange has conditionally accepted the listing of the Corporation’s Common Shares. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

As at the date of the prospectus, the Corporation 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 the Agent**

The Agent has advised the Corporation that to the best of its knowledge and belief, the following directors, officers, employees or contractors or any Associate or Affiliate of the Agent have subscribed for Common Shares of the Corporation in the following amounts:

<b>Name</b>	<b>Number of Shares</b>	<b>Issue Price Per Share</b>
Brent Todd	70,000	\$0.15
Kathleen Todd	70,000	\$0.15
Johnny Markovina	66,667	\$0.15

The aggregate number of Common Shares permitted to be owned directly or indirectly by the participants referred to above, is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date.

#### **Restriction on Trading**

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

### **DESCRIPTION OF SECURITIES DISTRIBUTED**

The Corporation is authorized to issue an unlimited number of Common Shares of which 1,065,004 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, 2,000,000 Common Shares are reserved for issuance pursuant to this Offering, 200,000 Common Shares are reserved for issuance upon exercise of the Agent’s Warrants, and 306,500 Common Shares are reserved for issuance upon exercise of the Stock Options. All of the Common Shares to be outstanding on

completion of this Offering will be fully paid and non-assessable. See “**Prior Sales**”, “**Options to Purchase Securities**” and “**Plan of Distribution**”.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Corporation, to one vote per share at meetings of the shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

### CAPITALIZATION

Designation of Security	Amount authorized	Amount outstanding as at December 31, 2017 <small>(1)(2)</small>	Amount outstanding as at the date hereof <sup>(1)(2)</sup>	Amount to be outstanding after the Offering is sold <sup>(2)(3)(4)(5)</sup>
Common Shares	Unlimited	700,003 Common Shares (\$105,000)	1,065,004 Common Shares (\$159,751)	3,065,004 Common Shares (\$759,751)
Long Term Debt	Nil	Nil	Nil	Nil

**Notes:**

- (1) The Corporation had not commenced commercial operations as at December 31, 2017 or as at the date hereof.
- (2) These Common Shares were issued at \$0.15 per share and will be held in escrow in accordance with the CPC Policy. See “**Escrowed Securities**”.
- (3) Before deducting the Agent’s commission of 10% and the costs and expenses of this Offering estimated in the aggregate amount of \$160,000.
- (4) The Corporation has reserved an aggregate of 200,000 Common Shares to be issued pursuant to the exercise of the Agent’s Warrants. The Agent’s Warrants will have an exercise price of \$0.30 per Common Share and may be exercised for a term of 24 months from the date of listing Common Shares on the Exchange. See “**Plan of Distribution**”.
- (5) The Corporation has reserved an aggregate of 306,500 Common Shares to be issued pursuant to the exercise of Stock Options. All of the Stock Options will have an exercise price of \$0.30 per Common Share and may be exercised for a period of 10 years from the date of grant. See “**Options to Purchase Securities**”.

### OPTIONS TO PURCHASE SECURITIES

**Stock Options**

Stock Options to purchase 306,500 Common Shares to be granted to directors and officers of the Corporation on the date the Common Shares are listed on the Exchange, subject to regulatory approval, are qualified for distribution pursuant to this prospectus. The Stock Options will be granted under the Corporation’s Stock Option Plan and are expected to be allocated on the following basis:

Name of Optionee	Number of Common Shares Reserved Under Option Under the Offering	Exercise Price per Common Share	Expiry Date
Larry K. Doan	29,190	\$0.30	10 years from the date of grant
Andrew T. Hunter	14,598	\$0.30	10 years from the date of grant
Mike Y. C. Kao	43,785	\$0.30	10 years from the date of grant
Nicolette M. Keith	29,190	\$0.30	10 years from the date of grant

<b>Name of Optionee</b>	<b>Number of Common Shares Reserved Under Option Under the Offering</b>	<b>Exercise Price per Common Share</b>	<b>Expiry Date</b>
Paul M. Laur	29,190	\$0.30	10 years from the date of grant
Hooi Hing Lee	58,381	\$0.30	10 years from the date of grant
Rodney W. Reum	43,785	\$0.30	10 years from the date of grant
David W. Smalley	58,381	\$0.30	10 years from the date of grant
<b>Total</b>	306,500		

### **Stock Option Terms for Options granted while the Corporation is a CPC**

While the Corporation is a CPC, the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares as at the closing of the CPC IPO, are only exercisable for a period of up to 10 years from the date of grant and are not exercisable at less than the greater of the IPO share price, Discounted Market Price or the prevailing price permitted by Exchange policies. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares as at the closing of the CPC IPO and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares as at the closing of the CPC IPO. Options may be exercised anytime to and including the later of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Corporation, 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 “**Escrow Securities**”.

### **Stock Option Plan**

The Corporation has adopted a stock option plan (the “**Stock Option Plan**”). The purpose of the Stock Option Plan, pursuant to which it may grant stock options, is to recognize contributions made by its key individuals and to create an incentive for their continuing assistance to the Corporation and its Affiliates. The Stock Option Plan provides an incentive for and encourages ownership of the Corporation’s Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Corporation’s Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee, other than a consultant or persons engaged in investor relations activities may not exceed 5% of the issued and outstanding Common Shares at the date of the grant, unless the Corporation has obtained disinterested shareholder approval. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant while the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. While the Corporation is a CPC, it is prohibited from granting options to any person providing investor relations activities, promotional or market-making services. The expiry date of the stock options is set by the board of directors at the time the options are granted, for a period of up to 10 years from the date of grant. Stock options may be exercised for a period of 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Corporation or its Affiliates, provided that if the cessation of such position or arrangement was by reason of death or disability, the option may be exercised within a maximum period of one year after such death or disability, subject to the expiry date of such option; and if the optionee was engaged to provide investor relations services, the optionee has 30 days from the date of cessation, subject to expiry date of the stock options. While the Corporation is a CPC, the CPC Policy imposes certain restrictions on the Persons eligible to be granted stock options and certain terms on the Stock Option Plan. See “**Stock Option Terms for Options granted while the Corporation is a CPC**” above.

### **PRIOR SALES**

Since the date of incorporation of the Corporation, 1,065,004 Common Shares have been issued as follows:

Date Issued	Number of Shares <sup>(1)</sup>	Issue Price Per Share	Aggregate Issue Price	Consideration Received
February 15, 2018	206,667 <sup>(3)</sup>	\$0.15	\$31,000.05	Cash
January 30, 2018	158,334	\$0.15	\$23,750.10	Cash
December 22, 2017	700,003	\$0.15	\$105,000.45	Cash
March 22, 2017 <sup>(2)</sup>	1	\$0.01	\$0.01	Cash

**Note:**

- (1) All of these 1,065,004 Common Shares will be held in escrow. See “Escrowed Securities”.  
(2) This share was surrendered and returned to treasury on December 1, 2017  
(3) All of these shares were sold to members of the Aggregate Pro Group.

**ESCROWED SECURITIES**

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

All of the 1,065,004 Common Shares issued prior to this Offering at a price below \$0.30 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering, will be deposited with the Escrow Agent under the CPC Escrow Agreement.

All Common Shares acquired on exercise of Stock Options prior to Completion of the Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares of the Corporation acquired in the secondary market prior to Completion of the Qualifying Transaction by any Person or Company who becomes a Control Person of the Corporation are required to be deposited in escrow. Subject to certain exceptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as of the date of this prospectus and immediately after completion of this Offering, the number of Common Shares of the Corporation which are held in escrow:

Name and Municipality of Residence of Shareholder	Number of Common Shares Held	Escrowed Shares		
		Number of Common Shares Escrowed	Percentage of Common Shares Issued Before Completion of the Offering	Percentage of Common Shares Issued Upon Completion of Offering <sup>(1)</sup>
Larry K. Doan Vancouver, B.C.	66,667	66,667	6.26%	2.18%
Andrew T. Hunter Vancouver, B.C.	33,334	33,334	3.13%	1.09%
Mike Y. C. Kao Vancouver, B.C.	100,000	100,000	9.39%	3.26%
Nicolette M. Keith Kelowna, B.C.	66,667	66,667	6.26%	2.18%
Paul M. Laur Santa Fe, New Mexico	66,667	66,667	6.26%	2.18%

Name and Municipality of Residence of Shareholder	Number of Common Shares Held	Escrowed Shares		
		Number of Common Shares Escrowed	Percentage of Common Shares Issued Before Completion of the Offering	Percentage of Common Shares Issued Upon Completion of Offering <sup>(1)</sup>
Hooi Hing Lee Hong Kong	133,334	133,334	12.52%	4.35%
Rodney W. Reum Kaleden, B.C.	100,000	100,000	9.39%	3.26%
David W. Smalley Vancouver, B.C.	133,334	133,334	12.52%	4.35%
Brent Todd West Vancouver, B.C.	70,000	70,000	6.57%	2.28%
Kathleen Todd West Vancouver, B.C.	70,000	70,000	6.57%	2.28%
Johnny Markovina Vancouver, B.C.	66,667	66,667	6.26%	2.18%
Ian C. Hunter Limavady, U.K.	58,334	58,334	5.48%	1.90%
Aspen Consulting Inc. <sup>(2)</sup> Vancouver, B.C.	100,000	100,000	9.39%	3.26%
Total	1,065,004	1,065,004	100%	34.75%

**Notes:**

- (1) Assuming that no Common Shares are purchased by these shareholders under this Offering and assuming that none of the Agent's Warrants and Stock Options are exercised. See **“Plan of Distribution”** and **“Options to Purchase Securities”**.
- (2) Aspen Consulting Inc. is a British Columbia company wholly owned by Sherry Siu.

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

Under the CPC 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 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 minimum 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 an application to the Exchange for listing as a Tier 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 the Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the CPC Escrow Agreement each Non Arm's Length Party to the Corporation which holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

- (a) cancel all those escrowed Common Shares upon issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation; or
- (b) if the Corporation lists on NEX, either:
  - (i) cancel all escrowed Common Shares purchased by Non Arm's Length Parties to the CPC at a discount from 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 escrowed Common Shares purchased by Non Arm's Length Parties to the CPC at a discount to the Offering price so that the average cost of the remaining escrowed Common Shares is at least equal to the Offering price.

### **Escrowed Securities on Qualifying Transaction**

Generally, if at least 75% of the securities issued pursuant to a Qualifying Transaction are **"Value Securities"**, then all of the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security escrow agreement (the **"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 assets, 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 6 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 3 year escrow release mechanism with:

- (a) 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin;
- (b) 5% on the date which is 6 months after the Final Exchange Bulletin;
- (c) 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin;
- (d) 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin; and
- (e) 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, with 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:

- (a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;

- (b) 20% on the date which is 6 months after the Final Exchange Bulletin;
- (c) 30% on the date which is 12 months after the Final Exchange Bulletin; and
- (d) 40% on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation 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 Corporation or the proposed Resulting Issuer;
  - (ii) if subscribers, other than Principals of the Corporation 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 own 10% or more of the issued and outstanding Common Shares of the Corporation as at the date hereof:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares Owned Before and Upon Completion of Offering <sup>(1)(2)</sup>	Percentage of Common Shares Owned Before Completion of Offering <sup>(2)</sup>	Percentage of Common Shares Owned Upon Completion of Offering <sup>(2)(3)</sup>
David W. Smalley Mission, B.C.	Direct	133,334	12.52%	4.35%
Hooi Hing Lee Hong Kong	Direct	133,334	12.52%	4.35%
Total		266,668	25.04%	8.70%

**Notes:**

- (1) Subject to the CPC Escrow Agreement. See **“Escrowed Securities”**.
- (2) Assuming that no Common Shares are purchased by these shareholders under this Offering and assuming that none of the Agent’s Warrants and the Stock Options are exercised. See **“Plan of Distribution”**.
- (3) Were all the Stock Options and Agent Warrants exercised each Principal Shareholder would own 5.37% of the fully diluted Common Shares of the Corporation, and together a total of 10.74% of the fully diluted Common Shares of the Corporation.

#### DIRECTORS, OFFICERS AND PROMOTERS

The following are the names and municipalities of residence of the directors, officers and promoter of the Corporation, their positions and offices with the Corporation, their present and prior principal occupations during the past five years, the number of

Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to and on completion of the Offering:

Name and Municipality of Residence	Position and Office	Principal Occupation for the Five Years Preceding the Date Hereof	Number and Percentage of Common Shares Held Prior to the Offering	Number and Percentage of Common Shares Upon Completion of Offering <sup>(1)</sup>	Audit Committee
Larry K. Doan Vancouver, BC	Director & Chairman	Retired Executive. Director of Flying Monkey Capital Corp. from Dec 2014 to present. Director of Marching Moose Capital Corp. from Nov. 2014 to Dec. 2017. Director of Mission Ready Services Inc. (previously Priceless Piranha Capital Corp.) from Oct. 2012 to November 2014.	66,667 (6.26%)	66,667 (2.18%)	✓
Andrew T. Hunter Vancouver, BC	Corporate Secretary	Self Employed Corporate and Securities paralegal from December 2015 to present.  Trainee Solicitor and Solicitor for McClures Solicitors, Glasgow, Scotland from April 2011 to May 2015.	33,334 (3.13%)	33,334 (1.09%)	
Mike Y. C. Kao Vancouver, BC	Director	Partner at WDM Chartered Accounts since Jan. 1998	100,000 (9.39%)	100,000 (3.26%)	✓*
Nicolette A. Keith Kelowna, B.C.	Director	CFO for the village of Keremos from Jan, 2015 to present. CFO for 2k Services Ltd. from Mar 2017 to present. CFO for Mission Ready Services Inc. from Mar. 2012 to May 2017	66,667 (6.26%)	66,667 (2.18%)	✓

Name and Municipality of Residence	Position and Office	Principal Occupation for the Five Years Preceding the Date Hereof	Number and Percentage of Common Shares Held Prior to the Offering	Number and Percentage of Common Shares Upon Completion of Offering <sup>(1)</sup>	Audit Committee
Paul Laur Sante Fe, NM, USA	Director	Founder & President of Eldorado Biofuels (2008 – Present) and Spartina Biotechnologies (2015 – Present).	66,667 (6.26%)	66,667 (2.18%)	
Hooi Hing Lee Hong Kong	Director	Independent non-executive Director of Cityneon Holdings Limited since August 2017. Chairman of pH Capital Limited, a private equity company established in Jan 2013 and operational in January 2014. Chief Risk Officer of Standard Chartered Bank, (Taiwan) Limited from August 2010 to June 2013.	133,334 (12.52%)	133,334 (4.35%)	
Rodney W. Reum Kaleden, BC	Director & CFO & Promoter	Director and CEO of Caballarius Global Holdings Inc. from May 2009 to present. Director of Mission Ready Services Inc. from June 2011 to Oct., 2017. President and CEO of Mission Ready Services Inc. from June 2011 to March, 2017, and Chairman from Nov 2014 to March 2017	100,000 (9.39%)	100,000 (3.26%)	
David W. Smalley Mission, BC	Director, President, CEO	Solicitor and owner of David Smalley Law Corp. from March 2013 to present. Solicitor and Partner of Fraser and Company LLP from Feb. 1996 to Feb. 2013.	133,334 (12.52%)	133,334 (4.35%)	

**Notes:**

\* Denotes Chair of Audit Committee.

(1) Assuming that no Common Shares are purchased by these shareholders under this Offering and assuming none of the Agent's Warrants and Stock Options are exercised. See "**Plan of Distribution**".

The Corporation's audit committee is comprised of three directors, Mike (Yu Cheng) Kao, Larry Doan and Nicolette Keith. Mike (Yu Cheng) Kao and Nicolette Keith are "independent", but Larry Doan is not because he is the Chairman of the Corporation. All members are "financially literate" as defined in National Instrument 52-110. An audit committee charter governs the Corporation's audit committee.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation 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.

The directors will devote their time and expertise as required by the Corporation, however, it is not anticipated that any director will devote 100% of his time.

The directors and officers, as a group, beneficially own and control 700,003 Common Shares, which represents 65.73% of the issued and outstanding Common Shares of the Corporation before giving effect to this Offering. Such Common Shares will represent 22.84% of the issued and outstanding Common Shares of the Corporation upon completion of the Offering, assuming no Common Shares are purchased by directors and officers under this Offering, and before the exercise of the Stock Options.

The following is a brief description of the principal occupations of the above named individuals during the last five years, along with other biographical information:

**Larry K. Doan – Vancouver, British Columbia, 64 years of age – Director and Chairman**

Larry Doan is a retired executive who previously served as a Director of Mission Ready Services Inc., an Exchange listed company that develops and manufacturers products for use by militaries and first responders. He is currently a director of Flying Monkey Capital Corp. a capital pool company listed on the Exchange and currently seeking to complete a qualifying transaction with a junior mining company, and was a director of Marching Moose Capital Corp. (now "Avidian Gold Corp."), a capital pool company which completed its qualifying transaction with Avidian Gold Inc. in December 2017. Mr. Doan was a director/founder and Vice President of Extreme CCTV, a company that he helped take public onto the Exchange and the Toronto Stock Exchange and was part of the Directors committee that saw the takeover of the company in 2007. His focus had been on developing sales channels in North America and Europe.

Mr. Doan expects to devote approximately 15% of his time, on average, to the affairs of the Corporation. His responsibilities as Chairman of the Corporation will be to manage the board of directors and actively search for assets and businesses for potential acquisition.

**Andrew T. Hunter – Vancouver, British Columbia, 34 years of age – Corporate Secretary**

Mr. Hunter is a non practicing Scottish solicitor who obtained his L.L.B. from the University of Dundee, in 2006 and his LLM in Professional Legal Practice from the University of Strathclyde in 2013. Mr. Hunter has 4 years experience of private practice in Scotland and has worked as a corporate and securities paralegal since moving to Canada in 2015. He has experience in all manner of corporate and securities law issues and in conducting effective corporate governance procedures.

Mr. Hunter expects to devote approximately 5% of his time, on average, to the affairs of the Corporation. His responsibilities with the Corporation will be those commonly associated with acting as a corporate secretary of a publicly listed company

**Mike Y.C. Kao – Vancouver, British Columbia, 53 years of age – Director**

Mike (Yu Cheng) Kao has been a partner at WDM Chartered Professional Accountants (and predecessor firm) since 1998 and has more than 30 years' experience providing audit, accounting, tax and financial management services. Mr. Kao received his designation as a Certified General Accountant (“C.G.A.”) in 1996 and has a Bachelor’s Degree in Commerce from the University of British Columbia.

Mr. Kao will devote 5% of his time, on average, to the affairs of the Corporation.

**Nicolette A. Keith – Kelowna, British Columbia, 47 years of age – Director**

Nicolette Keith, B.A., C.G.A. (British Columbia), is the former Chief Financial Officer of Mission Ready Services Inc. until June 2017. She has over 10 years of experience as a CFO of public companies having previously served as CFO of Altek Power Corporation which was listed on Exchange from July 2004 to April 2009. Miss Keith received her Bachelor of Arts from the University of Victoria in April, 1996 and gained her C.G.A. designation in March 2004.

Ms. Keith will devote 7% of her time, on average, to the affairs of the Corporation.

**Paul M. Laur – Santa Fe, New Mexico - 62 years of age – Director**

Mr. Laur is an entrepreneur who has been involved in diverse industries with a number of emerging companies. Originally involved in shipping he obtained his B.S., Nautical Industrial Tech from California Maritime Academy in 1984, his US Coast Guard Master Mariner’s License in 1992 and an M.A. from St Johns College, Santa Fe in 1995.

He was involved in the alcoholic beverage industry, acting as director of operations for Anguilla Rums in the 1990’s and founding a cider producing company in Santa Fe which he ran from 1999 – 2015.

More recently he has been involved in biotech research and development founding and acting as President of both Spartina Biotechnologies (since 2015) and Eldorado Biofuels (since 2008) both of which seek to take advantage of plant based and algal solutions to provide solutions to a wide range of industries including biofuels, crop production and the food industry.

Mr. Laur will devote 10% of his time, on average, to the affairs of the Corporation.

**Hooi Hing (Henry) Lee – Hong Kong, 51 years of age – Director**

Mr. Hooi has over 25 years of experience in the finance industry. He obtained his Bachelor of Commerce degree from the University of Western Australia in April 1990 and was admitted as a member of the Certified Practicing Accountants of Australia in July 1990 and a fellow of the Hong Kong Institute of Directors in March 2006.

Mr. Hooi was employed by National Australia Bank Limited in a variety of roles in both Australia and Hong Kong from January, 1988 to July, 2006, and latterly in the role of Head of Corporate Banking, North Asia.

He also served as Managing Director, Investment Banking at Cushman and Wakefield Capital Asia Limited from July, 2006 to October, 2008 and was Chief Risk Officer of Standard Chartered Bank, (Taiwan) Limited from August 2010 to June 2013. Mr. Hooi founded a private equity company, pH Capital Limited established in January 2013, and operational from January 2014, where he currently acts as the Chairman.

Mr. Hooi was appointed as independent non-executive Director of Cityneon Holdings Limited, a brand experience agency listed on the Singapore stock exchange, in August 2017 and is responsible for providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct. He also acts as chairman of the audit committee.

Mr. Hooi will devote 7% of his time, on average, to the affairs of the Corporation.

**Rodney W. Reum – Kaleden, British Columbia, 62 years of age – Director & Chief Financial Officer**

Rodney Reum, B.Comm., C.G.A. (British Columbia), is the former founder, Director, President and Chief Executive Officer of

Mission Ready Services Inc. until October 2017. He is also a Director of Flying Monkey Capital Corp. He has over 35 years of experience in business, accounting and finance in both the public and private sectors. Mr. Reum received his Bachelor of Commerce from the University of Alberta in April, 1979 and also received an Associate of Arts degree from Trinity Western University in April, 1975. Mr. Reum was successful in raising money for Mission Ready Services Inc. on a private placement basis from its seed round through the process of taking it public. Since Mission Ready Services Inc. became public in December 2013, Mr. Reum has been instrumental in orchestrating two private placements, each in excess of \$1,000,000.

Mr. Reum will devote 10% of his time, on average, to the affairs of the Corporation.

**David W. Smalley – Mission, British Columbia, 57 years of age – Director, President & C.E.O.**

David Smalley is the owner and President of David Smalley Law Corporation since March, 2013. Mr. Smalley previously was a partner at Fraser and Company LLP in Vancouver for 17 years. Mr. Smalley's practice consists of commercial, corporate and securities law since August 1990. He was called to the bar of the Law Society of British Columbia in 1989. Mr. Smalley earned a Bachelor of Laws degree from the University of British Columbia in 1988 and a Bachelor of Arts degree from the University of Victoria in 1985. Mr. Smalley has managed and/or served as a director of several Canadian public and private companies. He was a director of Extreme CCTV, a company previously listed on the Toronto Stock Exchange prior to the sale of the company in 2007. Mr. Smalley was also previously a Director of Mission Ready Services Inc., Scorpio Gold Corporation, Marching Moose Capital Corp. (now Avidian Gold Corp.), and Flying Monkey Capital Corp. and all of which are TSX Venture listed companies.

Mr. Smalley expects to devote approximately 15% of his time, on average, to the affairs of the Corporation. His responsibilities with the Corporation as Director, President, and C.E.O. will be to lead the Corporation in actively searching for assets and businesses for potential acquisition and advising the Board.

**Promoter**

Rodney W. Reum may be considered to be the promoter of the Corporation in that he took the initiative in organizing the business of the Corporation. Mr. Reum will receive a grant of 43,785 incentive Stock Options. See **“Options to Purchase Securities”**, **“Principal Shareholders”**, **“Prior Sales”** and **“Directors, Officers and Promoters”**.

## Other Reporting Issuer Experience

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

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Larry K. Doan	Flying Monkey Capital Corp.	TSX-V	Director	Dec. 2014	Present
	Marching Moose Capital Corp. <sup>(1)</sup>	TSX-V	Director	Nov. 2014	Dec. 2017
	Mission Ready Services Inc. <sup>(2)</sup>	TSX-V	Director	Oct. 2012	Nov. 2014
Nicolette A. Keith	Mission Ready Services Inc. <sup>(2)</sup>	TSX-V	CFO	Dec. 2013	June 2017
Hooi Hing (Henry) Lee	Cityneon Holdings Limited	SGX	Director	Aug. 2017	Present
Rodney W. Reum	Flying Monkey Capital Corp.	TSX-V	Director	June 2015	Present
	Mission Ready Services Inc. <sup>(2)</sup>	TSX-V	Director, CEO & President	Dec. 2013	Oct., 2017
David W. Smalley	Scorpio Gold Corporation <sup>(3)</sup>	TSX V	Director Corporate Secretary	June 2009 May 2006	Nov. 2017 June 2009
	Flying Monkey Capital Corp.	TSX-V	Director	Dec. 2014	Feb. 2017
	Marching Moose Capital Corp.	TSX-V	Director	Nov. 2014	Nov. 2015
	Mission Ready Services Inc. <sup>(2)</sup>	TSX-V	Director, Chairman Director, CFO & Corporate Secretary	Dec. 2013 June 2009	Oct. 2015 December 2013

### Notes:

- <sup>(1)</sup> Mr. Doan resigned from Marching Moose Capital Corp. upon completion of its Qualifying Transaction in December 2017 whereby Marching Moose Capital Corp. changed its name to Avidian Gold Corp.
- <sup>(2)</sup> Mission Ready Services Inc. was previously a CPC named Priceless Piranha Capital Corp. and changed its name on December 10, 2013 concurrently with its Qualifying Transaction.
- <sup>(3)</sup> Scorpio Gold Corporation was previously a CPC named Critical Capital Corporation and changed its name on December 11, 2009 concurrently with its Qualifying Transaction.

## Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the directors, officers, insiders or promoters of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is, or within the past 10 years before the date hereof, has been a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with

creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; save and except Rodney W. Reum and David W. Smalley who were each a director and officer of Mission Ready Services Inc., then a private company that was issued a cease trade order on November 29, 2012 by the British Columbia Securities Commission for distributing securities under an Offering Memorandum that was not prepared in the required form. The cease trade order was revoked on March 25, 2013. From the time of the cease trade order to the time the cease trade order was revoked, Larry Doan was a director of Priceless Piranha Capital Corp., the company that ultimately acquired all of the shares of Mission Ready Services Inc., and then changed its name to Mission Ready Services Inc.

### **Penalties or Sanctions**

None of the directors, officers, insiders or promoters of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

None of the directors, officers, Insiders or promoters of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the past 10 years before the date of this prospectus, become 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.

### **Conflicts of Interest**

There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some or all of 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 Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some or all of the directors, officers, Insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (British Columbia), the Exchange and applicable securities law, regulations and policies.

### **Indebtedness of Directors, Officers and Promoters**

None of the directors, officers and promoters of the Corporation, nor any of their respective Associates or Affiliates has been indebted to the Corporation since the date of the Corporation's incorporation.

## **EXECUTIVE COMPENSATION**

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non Arm's Length Party to the Corporation 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 Corporation 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; and
  - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

David W. Smalley, a director of the Corporation, is the owner and President of David Smalley Law Corporation, which firm will be reimbursed for legal fees and disbursements in connection with the incorporation of the Corporation. Legal expenses related to the Offering will also be paid to the firm from the proceeds of the Offering per a retainer agreement between the Corporation and David Smalley Law Corp. (see ‘**Material Contracts**’).

However, the Corporation may reimburse Non Arm’s Length Parties for the Corporation’s reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value (“**Permitted Reimbursement**”). No reimbursement may be made for any payment made to lease or buy a vehicle. See “**Use of Proceeds – Prohibited Payments to Non Arm’s Length Parties**”.

The directors and officers of the Corporation will be granted Stock Options as set out under “**Options to Purchase Securities**”.

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

### **DILUTION**

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 17.37% or \$0.0521 per Common Share, on the basis of there being 3,065,004 Common Shares of the Corporation issued and outstanding assuming completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

Gross proceeds of prior share issuances	\$159,750.60
Gross proceeds of this Offering	\$600,000.00
Total gross proceeds after this Offering	<hr/> \$759,750.60 <hr/>
Offering price per share	\$0.30
Proceeds per share after this Offering	<hr/> \$0.2479 <hr/>
Dilution per share to subscriber	<hr/> \$0.0521 <hr/>
Percentage of dilution in relation to offering price	17.37%

### **DIVIDEND POLICY**

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

If the Corporation generates earnings in the foreseeable future, it expects that they will be retained to finance growth, if any, and, when appropriate, retire debt. The directors of the Corporation will determine if and when dividends should be declared and paid in the future based on the Corporation’s financial position at the relevant time. All of the Common Shares are entitled to an equal share in any dividends declared and paid.

### **RISK FACTORS**

The following is a list of risk factors that a prospective investor should consider before subscribing for Common Shares, which list is not exhaustive:

- (a) The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.
- (b) Investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation’s business and its present stage of development.

- (c) The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “**Directors, Officers and Promoters**” and “**Conflicts of Interest**”.
- (d) Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 17.37% or \$0.0521 per Common Share. See “**Dilution**”.
- (e) There can be no assurance that an active and liquid market for the Corporation’s Common Shares will develop and an investor may find it difficult to resell its Common Shares.
- (f) Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.
- (g) The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction.
- (h) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.
- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction, Majority of the Minority Approval.
- (j) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of the fair value for the shareholder’s Common Shares.
- (k) Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation 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 Corporation completing the proposed Qualifying Transaction.
- (l) Trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.
- (m) The Exchange will generally suspend trading in the Corporation’s Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.
- (n) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.
- (o) In the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business or assets 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..
- (p) The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.
- (q) Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

**As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Corporation 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 Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings, which are material to its business. Management of the Corporation is not currently aware of any legal proceedings contemplated against the Corporation.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed above and in this prospectus, there are no material transactions with the directors, officers, promoters or principal holders of the Corporation's securities that have occurred since the date of incorporation of the Corporation.

#### **RELATIONSHIP BETWEEN THE CORPORATION AND AGENT**

The Corporation is not a "related issuer" or "connected issuer" of the Agent as such terms are defined in National Instrument 33-105 – Underwriting Conflicts.

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

Certain legal matters relating to the Offering will be passed upon by David Smalley Law Corporation on behalf of the Corporation, and by Miller Thomson LLP on behalf of the Agent.

David W. Smalley, a director of the Corporation, is the owner and President of David Smalley Law Corporation. Legal expenses related to the Offering will be paid to David Smalley Law Corp. per a retainer agreement between the Corporation and David Smalley Law Corp. (see 'Material Contracts'). As at the date hereof, David W. Smalley owns 12.52% or 133,334 of the Common Shares of the Corporation and Andrew Hunter, a contractor of David Smalley Law Corporation owns 3.13% or 33,334 of the Common Shares of the Corporation. The owner of David Smalley Law Corporation will be granted 58,381 Stock Options and the said contractor will be granted 14,598 Stock Options.

Further, as of the date hereof, none of the partners of the Corporation's auditors, Davidson and Company LLP, own, directly or indirectly, any Common Shares. However, partners, associates or employees of such firms may subscribe for Common Shares pursuant to this Offering. Other than David W. Smalley, who is a director of the Corporation and the owner and president of David Smalley Law Corporation, no Professional Person, Responsible Solicitor or any partner of a Responsible Solicitor's firm is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or an Associate or Affiliate of the Corporation. The Responsible Solicitor for the Corporation is David W. Smalley of David Smalley Law Corporation, Suite 2300-1066 W. Hastings Street, Vancouver, British Columbia, V6E 3X2.

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

The auditors of the Corporation are Davidson Company LLP, Chartered Accountants, of Suite 1200 - 609 Granville Street, Vancouver, British Columbia, V6Y 1G6.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

#### **MATERIAL CONTRACTS**

The Corporation has not entered into any material contracts and will not enter into any material contracts prior to the closing of this Offering, other than:

- (a) Retainer Agreement dated November 30, 2017 between the Corporation and David Smalley Law Corp. whereby the Corporation agreed to pay David Smalley Law Corp. a fixed fee of \$40,000 plus taxes and disbursements for its work on

completion of the CPC IPO and listing on the Exchange as a CPC, and an hourly rate of \$500 for David Smalley and \$250 for Andrew Hunter, paralegal to David Smalley plus taxes and applicable disbursements for any subsequent legal work carried out on behalf of the Corporation.

- (b) Stock Option Plan dated March 19, 2018. See **“Options to Purchase Securities”**.
- (c) CPC Escrow Agreement dated February 15, 2018 among the Corporation, the Escrow Agent and those shareholders of the Corporation that executed such agreement. See **“Escrowed Securities”**.
- (d) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated February 5, 2018, between the Corporation and Computershare Investor Services Inc.
- (e) Agency Agreement dated March 27, 2018, between the Corporation and the Agent. See **“Plan of Distribution”**.

Copies of these agreements will be available for inspection at the registered office of the Corporation, at Suite 2300-1066 W. Hastings Street, Vancouver, British Columbia, V6E 3X2 during ordinary business hours which the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of David Smalley Law Corporation, counsel to the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the **“Tax Act”**) in force on the date hereof and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (**“Tax Proposals”**) prior to the date hereof, if the Common Shares were issued on the date hereof and listed and posted for trading on a “designated stock exchange” as defined in the Tax Act (which includes the Exchange) or if the Corporation was a “public corporation” on the date hereof, as that term is defined in the Tax Act, then the Common Shares would at that time be a “qualified investment” for a trust governed by a “registered retirement savings plan” (**“RRSP”**), “registered retirement income fund” (**“RRIF”**), “tax-free savings account” (**“TFSA”**), “registered education savings plan” (**“RESP”**), “deferred profit sharing plan” and “registered disability savings plan” (**“RDSP”**), as those terms are defined in the Tax Act (collectively, the **“Plans”**).

The Common Shares are not currently listed on a “designated stock exchange” and the Corporation is not currently a “public corporation”, as that term is defined in the Tax Act. The Corporation has applied to list the Common Shares on the Exchange as of the day before the Closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow the Corporation to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the Closing of the Offering. The Corporation must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on the Exchange at the time of their issuance on the Closing of the Offering and the Corporation is not a “public corporation” at that time, the Common Shares will not be qualified investments for the Plans at that time.

Notwithstanding that a Common Share may be a qualified investment for a TFSA, RRSP or RRIF (a **“Registered Plan”**), the holder or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such Common Shares are a “prohibited investment” for the Registered Plan for purposes of the Tax Act. The Common Shares will generally be a “prohibited investment” for a Registered Plan if the holder or annuitant, as the case may be, does not deal at arm’s length with the Corporation for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are “excluded property” within the meaning of the Tax Act for the Registered Plan.

On March 22, 2017, the Minister of Finance (Canada) announced Tax Proposals which are reflected in draft legislation released on September 8, 2017 to extend the prohibited investment rules, which are currently applicable to Registered Plans, and the annuitants or holder, thereof, as the case may be, to RESPs and RRSPs and the subscribers or holders thereof, as the case maybe. These Tax Proposals are intended to apply to transactions occurring and investments acquired after March 22, 2017, subject to certain transitional rules.

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

## **OTHER MATERIAL FACTS**

To management's knowledge, there are no other material facts about the securities 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 securities being distributed.

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

Securities legislation in the provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the 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 advisor.

**PONDEROUS PANDA CAPITAL CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON  
MARCH 22, 2017 TO DECEMBER 31, 2017**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Ponderous Panda Capital Corp.

We have audited the accompanying financial statements of Ponderous Panda Capital Corp., which comprise the statement of financial position as at December 31, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on March 22, 2017 to December 31, 2017, 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.

### *Auditors' 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 auditors' 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, these financial statements present fairly, in all material respects, the financial position of Ponderous Panda Capital Corp. as at December 31, 2017 and its financial performance and its cash flows for the period from incorporation on March 22, 2017 to December 31, 2017 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 conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Ponderous Panda Capital Corp.'s ability to continue as a going concern.

**“DAVIDSON & COMPANY LLP”**

Chartered Professional Accountants

Vancouver, Canada

March 26, 2018

**PONDEROUS PANDA CAPITAL CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	December 31, 2017
	\$
<b>ASSETS</b>	
Current	
Cash	89,804
Deferred financing costs (Note 7)	<u>15,000</u>
<b>Total Assets</b>	<b><u>104,804</u></b>
<b>LIABILITIES</b>	
Current	
Accounts payable and accrued liabilities	<u>231</u>
	231
<b>SHAREHOLDERS' EQUITY</b>	
Share capital (Note 5)	105,000
Deficit	<u>(427)</u>
	<u>104,573</u>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>104,804</u></b>

**Nature and continuance of operations** (Note 1)

**On behalf of the Board:**

"David Smalley" Director

"Larry K. Doan" Director

The accompanying notes are an integral part of these financial statements

**PONDEROUS PANDA CAPITAL CORP.**  
**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

	For the Period From Incorporation on March 22, 2017 to December 31, 2017
	\$
Bank Charges	196
Rent expense	231
<b>Loss and comprehensive loss for the period</b>	<b>(427)</b>
<b>Basic and diluted loss per common share</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>73,994</b>

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

**PONDEROUS PANDA CAPITAL CORP.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD FROM INCORPORATION ON MARCH 22, 2017 TO DECEMBER 31, 2017**

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	Number of Common Shares	Amount	Deficit	Total Shareholders' Equity
		\$	\$	\$
<b>Balance, March 22, 2017 (incorporation)</b>	-	-	-	-
Incorporation share issued	1	-	-	-
Common share cancelled	(1)	-	-	-
Common shares issued	700,003	105,000	-	105,000
Loss for the period	-	-	(427)	(427)
<b>Balance, December 31, 2017</b>	<b>700,003</b>	<b>105,000</b>	<b>(427)</b>	<b>104,573</b>

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

**PONDEROUS PANDA CAPITAL CORP.**  
**STATEMENT OF CASH FLOWS**

	For the Period From Incorporation on March 22, 2017 to December 31, 2017
	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss for the period	(427)
Changes in non-cash working capital item:	
Accounts payable and accrued liabilities	231
Net cash used in operating activities	<u>(196)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from the issuance of share capital	105,000
Deferred financing costs	<u>(15,000)</u>
Net cash provided by financing activities	<u>90,000</u>
Change in cash during the period	89,804
Cash, beginning of period	<u>-</u>
Cash, end of period	<u><u>89,804</u></u>
Cash paid for interest during the period	Nil
Cash paid for income taxes during the period	Nil

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

**PONDEROUS PANDA CAPITAL CORP.**  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2017

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Ponderous Panda Capital Corp. (the "Company") is in the process of completing an Initial Public Offering ("IPO") to be classified as a Capital Pool Company as defined in the TSX Venture Exchange ("Exchange") Policy 2.4. 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 was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on March 22, 2017. The Company's head office and registered and records office address is Suite 2300 – 1066 West Hastings Street, Vancouver, British Columbia, Canada V6E 3X2.

On December 22, 2017 the Company entered into an Engagement Agreement (the "Agreement") with Canaccord Genuity Corp. ("Canaccord") approved by the Board of Directors on December 22, 2017, to act as an Agent to the Company to complete its IPO. In connection with the Agreement, the Company paid Canaccord an advance retainer of \$15,000 (Note 7).

The Company has an accumulated deficit of \$427 as at December 31, 2017. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4, within 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

**2. BASIS OF PRESENTATION**

**Statement of Compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved and authorized for issue by the Board of Directors on March 26, 2018.

**Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and available-for-sale, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

**PONDEROUS PANDA CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

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

**Use of estimates and judgements**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Deferred tax assets & liabilities*

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Income taxes**

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

**PONDEROUS PANDA CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2017**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Share capital**

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

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

**c) Share-based payments**

The Company accounts for share-based payments using the fair value method. Share-based payments 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 instruments 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 reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. 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.

**d) Loss per share**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**e) Financial Instruments**

The Company classifies financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired or issued. Management determines the classification of its financial instruments at initial recognition.

*Financial assets*

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They would be included in current assets, except for maturities greater than 12 months after the end of the reporting period. These would be classified as non-current assets.

**PONDEROUS PANDA CAPITAL CORP.**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e) Financial Instruments (continued)**

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 would be 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 has no held-to-maturity investments.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

*Financial liabilities*

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with change in fair value recognized in profit or loss.

Other financial liabilities: This category includes accrued liabilities which are recognized at amortized cost.

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

**PONDEROUS PANDA CAPITAL CORP.**  
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**4. FUTURE ACCOUNTING PRONOUNCEMENTS**

On incorporation, the Company adopted the following accounting policy:

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

There was no effect on the Company's financial statements as a result of adopting this standard.

**New standards and interpretations not yet adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2016. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 16: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

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.

**5. SHARE CAPITAL**

**Authorized**

Unlimited common shares with no par value and unlimited preferred shares with no par value.

**Issued and outstanding common shares**

On March 22, 2017, the Company issued one common share at \$0.001 per share upon incorporation. The common share was cancelled on December 1, 2017.

During the period from incorporation on March 22, 2017 to December 31, 2017, the Company issued 703,000 common shares at \$0.15 per share for gross proceeds of \$105,000.

**Stock options**

On January 22, 2018, the Company adopted a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. While the Company is a CPC until completion of a Qualifying Transaction, the aggregate number of common shares that may be reserved for issuance under the Plan shall not exceed 10% of the common shares to be outstanding as at the closing of the Company's initial public offering. The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

As at December 31, 2017, no stock options were outstanding.

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**6. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company has identified its directors and certain senior officers as its key management personnel.

During the period from incorporation on March 22, 2017 to December 31, 2017, the Company entered into an engagement letter for legal services with a company controlled by a director of the Company. The Company will for its IPO and listing on the Exchange pay for legal services at a fixed rate as follows:

- (a) CAD \$15,000 (plus GST and PST) upon conditional acceptance of the CPC IPO by the Exchange; and
- (b) CAD \$25,000 (plus GST and PST) upon completion of the CPC IPO.

During the period from incorporation on March 22, 2017 to December 31, 2017, the Company accrued professional fees of \$nil. As at December 31, 2017, there are no amounts owing to related parties.

**7. DEFERRED FINANCING COSTS**

On December 22, 2017, the Company entered into an agreement with Canaccord Genuity Corp. (the “Agent”) to act as its agent in connection with a proposed Initial Public Offering (“IPO”). The proposed IPO calls for the Company to issue up to a maximum of 2,000,000 common shares of the Company at \$0.30 per common share for gross proceeds of \$600,000.

The Agent will receive a cash commission of 10% of the gross proceeds of the IPO, payable at the closing of the IPO. The Agent will be paid an administration fee of \$15,000 and will be reimbursed by the Company for its expenses and legal fees, of which a retainer of \$15,000 has been paid. In addition, the Agent will be issued non-transferable share purchase warrants (the “Agent’s Warrants”) entitling the Agent to purchase that number of common shares of the Company that is equal to 10% of the total number of common shares sold in connection with this Offering. Each Agent’s Warrant is exercisable into one common share at a price of \$0.30 per common share for a term of 24 months from the date of listing of the common shares of the Company on the Exchange.

**8. FINANCIAL INSTRUMENTS**

**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

**PONDEROUS PANDA CAPITAL CORP.**  
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**8. FINANCIAL INSTRUMENTS (CONTINUED)**

**Financial risk management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

*Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash with a major financial institution. Management feels that the Company's credit risk with respect to cash is remote.

*Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

*Liquidity risk*

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

*Foreign currency risk*

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2017, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk insignificant.

*Price risk*

The Company has no exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

**9. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity (deficiency). As at December 31, 2017, the Company's shareholders' equity was \$104,573 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. The Company currently is not subject to other externally imposed capital requirements.

**PONDEROUS PANDA CAPITAL CORP.**  
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**10. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2017</b>
	<b>\$</b>
Loss before income taxes	427
Expected income tax recovery at statutory rates	(100)
Change in unrecognized deferred tax assets	100
Income tax expense (recovery)	-

Significant components of the Company's deferred income tax assets (liabilities) not recognized are shown below:

	<b>2017</b>	<b>Expiry Date</b>
Non-capital losses carried forward	\$ 427	2037

**11. SUBSEQUENT EVENTS**

**Filing of Prospectus and Initial Public Offering ("IPO")**

The Company is in the process of filing its prospectus to become a Capital Pool Company. The Company entered into an engagement agreement with Canaccord Genuity Corp. (the "Agent") in relation to its IPO, see note 7 for detail. The proposed IPO calls for the Company to issue up to a maximum of 2,000,000 common shares of the Company at \$0.30 per common share for gross proceeds of \$600,000. The purpose of the IPO is to provide to the Company with funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction.

The Company intends, assuming the IPO is subscribed for in full, to grant 306,500 stock options, with a 10-year term and an exercise price of \$0.30 per option share to certain directors and officers of the Company at the completion of the IPO. The total of granted options shall not exceed 10% of the total shares issued and outstanding shares of the Company upon completion of the IPO (Note 5).

**CERTIFICATE OF THE CORPORATION**

Dated: March 27, 2018

This prospectus 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.

*“David W. Smalley”*

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David W. Smalley,  
Director, President & CEO

*“Rodney W. Reum”*

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Rodney W. Reum  
Director and CFO

**ON BEHALF OF THE BOARD**

*“Larry K. Doan”*

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Larry K. Doan  
Director & Chairman

*“Mike Y. C. Kao”*

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Mike Y. C. Kao  
Director

*“Nicolette A. Keith”*

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Nicolette A. Keith  
Director

*“Paul M. Laur”*

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Paul M. Laur  
Director

*“Hooi Hing Lee”*

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Hooi Hing Lee  
Director

**CERTIFICATE OF THE PROMOTER**

Dated: March 27, 2018

This prospectus 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.

*“Rodney W. Reum”*

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Rodney W. Reum

**CERTIFICATE OF THE AGENT**

Dated: March 27, 2018

To the best of our knowledge, information and belief, this prospectus 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.

**CANACCORD GENUITY CORP.**

per: "*Frank G. Sullivan*"

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Name: Frank G. Sullivan

Position: Vice-President, Sponsorship, Investment  
Banking