

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

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

*The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "United States"), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the Underwriting Agreement (as defined herein) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.*

*Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Wildpack Beverage Inc. c/o 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, telephone (604) 329-6171, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue

November 5, 2021



**WILDPACK BEVERAGE INC.**

**\$22,000,000**  
**22,680,412 Units**

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**PRICE: \$0.97 per Unit**

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This preliminary short form prospectus (the "**Prospectus**") qualifies the distribution and offering (the "**Offering**") of 22,680,412 units (the "**Units**") of Wildpack Beverage Inc. ("**Wildpack**" or the "**Company**") at a price of \$0.97 per Unit (the "**Offering Price**") for total gross proceeds of \$22,000,000. Each Unit comprises one common share in the capital of the Company (each, a "**Common Share**" and, collectively, the "**Common Shares**", and, as the context requires, a "**Unit Share**" and, collectively, the "**Unit Shares**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**" and, collectively, the "**Warrants**").

The Warrants will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into on the closing date of the Offering (the "**Closing Date**") between the Company and Computershare Trust Company of Canada ("**Computershare**"), as warrant agent. Each Warrant will entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price equal to \$1.26 (the "**Exercise Price**") for a period of 36 months following the Closing Date. See "*Description of Securities Being Distributed*".

The Offering is being made pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of November 5, 2021 between the Company, Stifel Nicolaus Canada Inc., as lead underwriter and sole bookrunner (the "**Lead**

**Underwriter**”), Roth Canada, ULC, PI Financial Corp. and Leede Jones Gable Inc. (collectively, with the Lead Underwriter, the **“Underwriters”**).

The Common Shares are currently listed on the TSX Venture Exchange (**“TSXV”**) under the symbol **“CANS”**. On October 29, 2021, 2021, the last full trading day prior to the announcement of the Offering, the closing price per Common Share on the TSXV was \$1.04.

The Company will use commercially reasonable efforts to obtain the necessary approvals to list the Unit Shares, the Warrants, the Warrant Shares and the Compensation Warrant Shares (as defined below) on the TSXV.

**Price: \$0.97 per Unit**

|                                     | <b>Price to Public (\$)<sup>(1)</sup></b> | <b>Underwriters’ Fee<sup>(2)</sup> (\$)</b> | <b>Net Proceeds to the Company<sup>(2)(3)</sup> (\$)</b> |
|-------------------------------------|---|---|--|
| Per Unit .....                      | \$0.97<br>(100.0%)                        | \$0.06<br>(6.0%)                            | \$0.91<br>(94.0%)  |
| Total Offering <sup>(4)</sup> ..... | \$22,000,000<br>(100.0%)                  | \$1,320,000<br>(6.0%)                       | \$20,680,000<br>(94.0%)                                  |

**Notes:**

- (1) The Offering Price was determined by arm’s length negotiation between the Company and the Underwriters with reference to the prevailing market price of the Common Shares.
- (2) Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters an aggregate cash fee equal to 6.0% of gross proceeds raised in respect of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined herein)) (collectively, the **“Underwriting Fee”**). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable compensation warrants (the **“Compensation Warrants”**) as is equal to 6.0% of the gross proceeds of the Offering. Each Compensation Warrant will entitle the holder thereof to acquire one Common Share (a **“Compensation Warrant Share”**) at an exercise price of \$0.97 per Compensation Warrant Share for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. This Prospectus qualifies the distribution of the Compensation Warrants. See **“Plan of Distribution”**.
- (3) After deducting the Underwriting Fee, but before deducting the expenses of the Offering, estimated to be \$350,000 (excluding taxes and disbursements), which, together with the Underwriting Fee, will be paid out of the gross proceeds of the Offering.
- (4) The Company has agreed to an over-allotment option, exercisable, in whole or in part, in the sole discretion of the Underwriters at any time, and from time to time, on or before 5:00 p.m. (EST) on the 30th day (the **“Over-Allotment Deadline”**) following the Closing Date, to purchase up to an additional 15% of the aggregate number of Units (the **“Over-Allotment Units”**), on the same terms and conditions as the Offering, at the Offering Price to cover the Underwriters’ over-allocation position, if any (the **“Over-Allotment Option”**). The Over-Allotment Option is exercisable by the Underwriters giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units to be purchased. If the Over-Allotment Option is exercised in full, the total **“Price to the Public”**, **“Underwriting Fee”** and **“Net Proceeds to the Company”** will be \$25,300,000, \$1,518,000 and \$23,782,000, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units forming part of the Underwriters’ over-allocation position acquires those Over-Allotment Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See **“Plan of Distribution”**.

The following table sets out information relating to the Over-Allotment Option and the Compensation Warrants:

| <b>Underwriters’ Position</b> | <b>Maximum Number of Securities Available</b> | <b>Exercise Period</b>                                      | <b>Exercise Price</b>                 |
|-------------------------------|---|---|---------------------------------------|
| Over-Allotment Option         | 3,402,061 Over-Allotment Units                | For a period of 30 days from and including the Closing Date | \$0.97 per Over-Allotment Unit        |
| Compensation Warrants         | 1,518,000 Compensation Warrants               | 24 months from the Closing Date                             | \$1.26 per Compensation Warrant Share |

Unless the context otherwise requires, when used herein, all references to **“Offering”** include the exercise of the Over-Allotment Option and all references to **“Units”** include the Over-Allotment Units issuable upon exercise of the Over-Allotment Option.

Concurrent with the closing of the Offering, the Company intends to complete a brokered bought deal private placement offering of 20,000 debenture units of the Company (the **“Private Placement Debenture Units”**) at a price of \$1,000 per Private Placement Debenture Unit (the **“Private Placement Issue Price”**), for additional gross proceeds of \$20,000,000 (the **“Concurrent Private Placement”**), subject to the Private Placement Over-Allotment Option (as defined below). The Concurrent Private Placement will be led by the Lead Underwriter, as lead underwriter and sole bookrunner, on its own behalf and on behalf of the Underwriters (the

**“Private Placement Underwriters”**). Each Private Placement Debenture Unit consists of (i) one 8% senior unsecured convertible debenture (the **“Private Placement Convertible Debentures”**) having a face value of \$1,000 and convertible into Common Shares at a conversion price of C\$1.51 per Common Share (the **“Conversion Price”**) and maturing four years from the Closing Date (the **“Maturity Date”**); and (ii) 332 Common Share purchase warrants of the Company (the **“Private Placement Warrants”**). Each Private Placement Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.81 for a period of 24 months following the Closing Date. For additional details, including with regards to the Private Placement Over-Allotment Option and the compensation of the Private Placement Underwriters, see *“Other Information”*.

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

**An investment in the Units involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective purchasers should carefully review and evaluate the risk factors described under *“Risk Factors”* in this Prospectus and in the Filing Statement (as defined herein), which can be found on SEDAR at [www.sedar.com](http://www.sedar.com), before purchasing the Units. See *“Cautionary Statement Regarding Forward-Looking Information”* and *“Risk Factors”*.**

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Underwriters are offering to sell and seeking offers to buy the Units only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

**A prospective purchaser of securities offered hereunder should read this entire prospectus, including the documents incorporated herein by reference, and consult with its own legal, tax and other professional advisors to assess the income tax, risks, and other aspects of an investment in the securities offered hereunder.** The Underwriters, as principal, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under *“Plan of Distribution”*, subject to the approval of certain legal matters on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Wildeboer Dellelce LLP.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering (the **“Closing”**) is expected to take place on or about the week of November 22, 2021, or such other date as the Underwriters and the Company may mutually agree, acting reasonably. See *“Plan of Distribution”*.

In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See *“Plan of Distribution”*.

It is anticipated that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (**“CDS”**) or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the Underwriters or another registered dealer from or through which the Units are purchased and who is a CDS depository service participant (a **“Participant”**). CDS will record the Participants who hold Unit Shares and Warrants comprising the Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates evidencing the Unit Shares or Warrants comprising the Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. Notwithstanding the foregoing, all Units, Unit Shares and Warrants and any Warrant Shares, offered and sold in the United States to “qualified institutional buyers” as such term is defined in Rule 144A under the U.S. Securities Act (the **“Qualified Institutional Buyers”**) or to or for the account or benefit of U.S. Persons who are Qualified Institutional Buyers will be issued in certificated, individually registered form. See *“Plan of Distribution”*.

The Units have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act (**“Regulation S”**)), except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriters, through their United States registered broker-dealer affiliates, may not offer the Units for sale by the Company except: (a) in an “offshore transaction,” as such term is defined in Regulation S, outside the United States in accordance with Rule 903 of Regulation S; or (b) to Qualified Institutional Buyers (as such term is defined in Rule 144A under the U.S. Securities Act) purchasing pursuant to the exemption from the registration requirement of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act and, if applicable, similar exemptions under applicable state

securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. See “*Plan of Distribution*”.

**The Underwriters propose to offer the Units to the public initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the offering price for the Units may be decreased and may be further changed from time to time, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers of the Units is less than the amount paid by the Underwriters to the Company. Any such reduction will not affect the net proceeds received by the Company. See “*Plan of Distribution*”.**

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Underwriters are offering to sell and seeking offers to buy the Units only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

**Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Units.**

Two of the Company's directors, Matthew Dwyer and Emma (Sara) Coyle, reside outside of Canada, and have appointed Wildpack Beverage Inc. of 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3 as each such director's agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company's head office and its registered office is located at 2900 - 550 Burrard St., Vancouver, British Columbia, V6C 0A3, Canada.

## TABLE OF CONTENTS

|   |    |
|---|----|
| GENERAL MATTERS .....   | 1  |
| MARKET AND INDUSTRY DATA .....  | 1  |
| CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION .....  | 1  |
| CURRENCY PRESENTATION AND EXCHANGE RATES .....  | 2  |
| ELIGIBILITY FOR INVESTMENT .....  | 2  |
| NOTE TO READERS .....   | 3  |
| DOCUMENTS INCORPORATED BY REFERENCE .....   | 3  |
| MARKETING MATERIALS .....   | 4  |
| DESCRIPTION OF THE BUSINESS .....   | 5  |
| CONSOLIDATED CAPITALIZATION .....   | 13 |
| USE OF PROCEEDS .....   | 14 |
| PLAN OF DISTRIBUTION .....  | 15 |
| DESCRIPTION OF SECURITIES BEING DISTRIBUTED .....   | 18 |
| PRIOR SALES .....   | 21 |
| TRADING PRICE AND VOLUME .....  | 22 |
| CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....  | 22 |
| RISK FACTORS .....  | 25 |
| OTHER INFORMATION .....   | 29 |
| ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES .....   | 30 |
| AUDITORS, TRANSFER AGENT AND REGISTRAR .....  | 30 |
| INTEREST OF EXPERTS .....   | 30 |
| EXEMPTIONS FROM THE INSTRUMENT .....  | 31 |
| PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION .....   | 31 |
| SCHEDULE "A" – AUDITED ANNUAL FINANCIAL STATEMENTS OF L&S FOR THE YEARS ENDED<br>DECEMBER 31, 2020 and 2019 ..... | 1  |
| SCHEDULE "B" – UNAUDITED INTERIM FINANCIAL STATEMENTS OF L&S FOR THE PERIOD ENDED<br>SEPTEMBER 30, 2021 .....     | 1  |
| CERTIFICATE OF THE COMPANY .....  | 1  |
| CERTIFICATE OF THE UNDERWRITERS .....   | 2  |

## GENERAL MATTERS

Prospective purchasers should rely only on information contained or incorporated by reference in this Prospectus as at its date, regardless of its time of delivery or of any sale of Units. Neither the Company nor the Underwriters have authorized any other person to provide prospective purchasers with additional or different information. If a prospective purchaser is provided with additional, different or inconsistent information, the prospective purchaser should not rely on such information. The information contained on the Company's website is not a part of this Prospectus and is not incorporated by reference into this Prospectus despite any references to such information in this Prospectus or the documents incorporated by reference, and prospective investors should not rely on such information when deciding whether or not to invest in the Units. Other than this Prospectus in electronic format, the information on the Underwriters' websites and any information contained in any other website maintained by the Underwriters or their affiliates is not part of this Prospectus, has not been approved or endorsed by the Company or the Underwriters and should not be relied upon by prospective purchasers.

Neither the Company nor the Underwriters are making an offer to sell in any jurisdiction where the offer or sale is not permitted. The information contained or incorporated by reference in this Prospectus is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Units. The business, financial condition, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with the Offering.

Unless the context otherwise requires, any references in this Prospectus to the "Company" or "Wildpack" refer to Wildpack Beverage Inc. and its subsidiaries.

## MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus, including the documents incorporated herein by reference, concerning the Company's industry and the markets in which it operates or seeks to operate is based on information from third party sources, industry reports and publications, websites and other publicly available information, and management studies and estimates. Unless otherwise indicated, the Company's estimates are derived from publicly available information released by third party sources as well as data from the Company's own internal research and include assumptions which the Company believes to be reasonable based on management's knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and the Company has not independently verified any third-party information. While the Company believes that such third-party information is generally reliable, such information and estimates are inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance or the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this Prospectus under "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Information*" and in the Filing Statement under "*Risk Factors*".

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

The information provided in this Prospectus, including information incorporated by reference, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words and includes, among others, information regarding expectations of the effect of the Offering; information regarding the Acquisition (as defined below), including the completion of the Acquisition and the anticipated impact thereof on the business of the Company; completion of the Concurrent Private Placement; statements relating to the business and future activities of, and developments related to, the Company after the date of

this Prospectus; future business strategy, competitive strengths, goals, expansion and growth of the Company's business; operations and plans; receipt of regulatory approvals in a timely manner or at all; and other events or conditions that may occur in the future. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statements and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: limited operating history; a history of negative operating cash flow; actual results of operations may differ materially from the expectations of the Company's management; significant ongoing costs and obligations related to its investment in infrastructure, growth and operations; voting control; Wildpack's products; unfavourable publicity or consumer perception; energy and raw materials costs; reliance on key personnel; unknown environmental risks; security risks; product recalls; competition; liquidity, financial resources and access to capital; future acquisitions or dispositions; insurance and uninsured risks; dependence on key inputs, suppliers and skilled labour; difficulty to forecast; management of growth; internal controls; litigation; product liability; general economic risks; completion of the Offering; completion of the Concurrent Private Placement; the Acquisition; discretion in the use of proceeds; inability to satisfy payments; market for Warrants; shareholder rights; change in withholding tax laws; trading market; sales of substantial amounts of Common Shares having an adverse effect on the market price of the Common Shares; volatility in the market price of the Common Shares; currency fluctuations; and potential dilution; COVID-19 and other factors beyond the Company's control, as more particularly described under the heading "*Risk Factors*" in this Prospectus.

Prospective purchasers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, prospective purchasers should not place undue reliance on forward-looking information and statements, including the documents incorporated herein by reference, as statements containing forward-looking information involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The forward-looking information and statements contained herein are presented for the purposes of assisting prospective purchasers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

## CURRENCY PRESENTATION AND EXCHANGE RATES

Unless the context otherwise requires, all references to "\$", "C\$" and "dollars" mean references to the lawful money of Canada. All references to "US\$" refer to United States dollars.

On November 4, 2021, the daily average exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = \$1.2449. We make no representation that United States dollars could be converted into Canadian dollars at that rate or any other rate.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares, the Warrants, and the Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively "**Registered Plans**") and trusts governed by deferred profit sharing plans (each, a "**DPSP**"), provided that:

- (i) in the case of Warrants, either (A) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), or (B) the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV) and the Company is not a “connected person” under the Registered Plan or DPSP. For this purpose, a “connected person” under a Registered Plan or DPSP is a person who is an annuitant, beneficiary, employer or subscriber under, or holder of, the Registered Plan or DPSP, and each person that does not deal at arm’s length with that person; and
- (ii) in the case of the Unit Shares and the Warrant Shares, the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), or the Company otherwise qualifies as a “public corporation” (as defined in the Tax Act).

Notwithstanding the foregoing, holders, annuitants or subscribers of Registered Plans (each a “**Controlling Individual**”) will be subject to a penalty tax in respect of the Unit Shares, Warrants and Warrant Shares held in a trust governed by a Registered Plan if such Unit Shares, Warrants or Warrant Shares, as the case may be, are a “prohibited investment” under the Tax Act for the particular Registered Plan. Unit Shares, Warrants or Warrant Shares will generally not be a “prohibited investment” for a Registered Plan unless the Controlling Individual of the Registered Plan (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest”, as defined in the Tax Act, in the Company. However, Warrant Shares and Unit Shares will not be a “prohibited investment” if such securities are “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by a Registered Plan.

**Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Registered Plan, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

#### **NOTE TO READERS**

Readers should rely only on the information contained in or incorporated by reference in this short form prospectus. Neither the Company, nor the Underwriters have authorized any person to provide different information. The Units may be sold only in those jurisdictions where offers and sales are permitted under applicable laws. This short form prospectus is not an offer to sell or a solicitation of any offer to buy Units in any jurisdiction where it is unlawful to do so. The information contained in this short form prospectus is accurate only as of the date hereof, regardless of the time of delivery of this short form prospectus or of any sale of the Units.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 2900 - 550 Burrard St., Vancouver, British Columbia, V6C 0A3, Canada, telephone (604) 329-6171, and are also available electronically at [www.sedar.com](http://www.sedar.com).

The following documents filed with the securities commission or similar regulatory authority in each of the provinces of Canada, other than Québec, are specifically incorporated by reference into this Prospectus:

1. the management information circular and proxy statement of the Company dated April 13, 2021 for the annual general and special meeting held on May 6, 2021 (the “**Information Circular**”);
2. the filing statement of the Company dated May 6, 2021 with respect to the reverse takeover (the “**Reverse Takeover**”) of Ponderous Panda Capital Corp. (“**PPCC**”) by Wildpack Beverage Alberta Inc. (“**PrivateCo**”) to form the Company (the “**Filing Statement**”) which includes, amongst other things:
  - (a) the audited consolidated financial statements of PrivateCo for the nine months ended December 31, 2020 and for the year ended March 31, 2020 (the “**PrivateCo Annual Financial Statements**”) and the management’s discussion and analysis related thereto; and

- (b) the audited annual financial statements of PPCC for the years ended December 31, 2020 and 2019 (the “**PPCC Annual Financial Statements**”) and the management’s discussion and analysis related thereto;
3. the unaudited condensed interim consolidated financial statements of PrivateCo for the three months ended March 31, 2021 and March 31, 2020, together with notes thereto (the “**PrivateCo Interim Financial Statements**”), filed on SEDAR May 31, 2021;
4. the management’s discussion and analysis of PrivateCo for the three months ended March 31, 2021 (the “**PrivateCo Interim MD&A**”), filed on SEDAR May 31, 2021;
5. the material change report dated June 14, 2021 with respect to the closing of the Reverse Takeover; and
6. the material change report dated June 14, 2021 with respect to the announcement of the Company’s June, 2021 short form prospectus offering of Convertible Debenture Units (as defined below);
7. the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2021 and June 30, 2020, together with notes thereto (the “**Wildpack Interim Financial Statements**”), filed on SEDAR August 30, 2021;
8. the management’s discussion and analysis of the Company for the three and six months ended June 30, 2021 (the “**Wildpack Interim MD&A**”), filed on SEDAR August 30, 2021;
9. the material change report dated November 5, 2021 with respect to the announcement of the Acquisition, this Offering and the Concurrent Private Placement; and
10. the template version of the indicative term sheet for the Offering dated November 1, 2021.

Any documents of the types referred to in the preceding paragraphs or required by Item 11.1 of Form 44-101F1 – *Short Form Prospectus*, filed by the Company with a securities commission or similar regulatory authority pursuant to the requirements of applicable securities legislation after the date of this Prospectus and prior to the termination of the distribution of this Offering shall be deemed to be incorporated by reference into this Prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this Prospectus.**

## MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*), that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution of the Units under this Prospectus (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus.

## DESCRIPTION OF THE BUSINESS

### *General*

The Company is a holding company and, through its subsidiaries, is engaged in beverage manufacturing and packaging, operating in the middle market by providing sustainable aluminum can filling and ecofriendly decorating services to brands throughout the United States. The Company currently operates indirectly through its wholly-owned subsidiaries and out of facilities in Baltimore, Maryland, Atlanta, Georgia, Longmont, Colorado, Sacramento, California and Las Vegas, Nevada with a focus on digital innovation and “green” ready-to-drink beverage packaging.

Each facility is generally equipped to produce canned beverage products in a variety of package sizes and utilizes numerous package types and sizes, including can sizes and packaging specifics to service various middle market beverage manufacturer requirements.

### *Name, Address and Incorporation*

PPCC was incorporated on March 22, 2017, pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name “Ponderous Panda Capital Corp.” PPCC was a capital pool company created pursuant to TSXV Policy 2.4 – *Capital Pool Companies* (the “**CPC Policy**”), with its principal business being the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined in the CPC Policy).

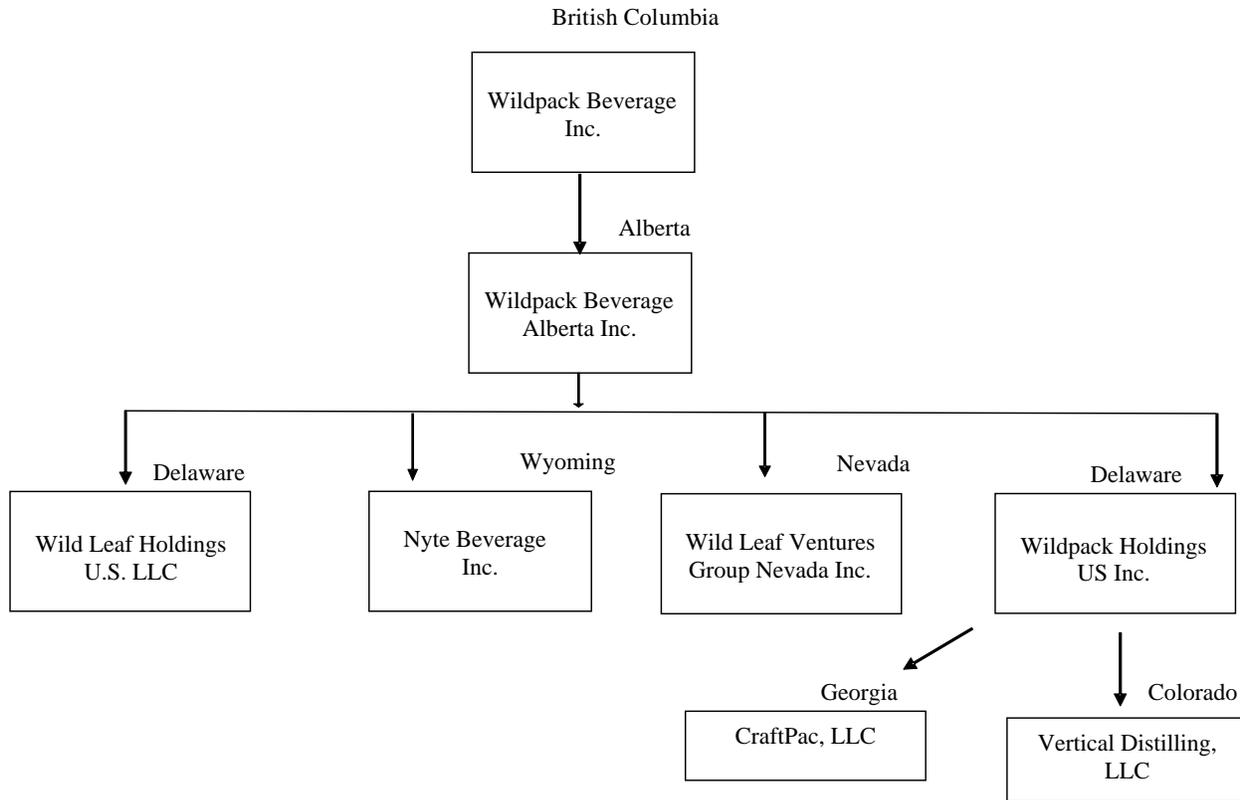
On May 17, 2021, the Company completed the Reverse Takeover under which it acquired all of the issued and outstanding shares of PrivateCo. In connection with the Reverse Takeover, on May 17, 2021, the Company changed its name to “Wildpack Beverage Inc.” and consolidated its shares on a 2.578 for one basis (the “**Consolidation**”). For additional details regarding the Reverse Takeover, please refer to the Filing Statement and additional disclosure filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company’s head office and its registered and records office are each located at 2900 - 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

The Company is a reporting issuer in each of the provinces of Canada, other than Québec.

**Inter-corporate Relationships**

The Company’s sole direct and wholly-owned subsidiary is Wildpack Beverage Alberta Inc., a corporation existing under the provisions of the *Business Corporations Act* (British Columbia). Wildpack Beverage Alberta Inc. owns 100% of the issued and outstanding voting securities of Nyte Beverage Inc., Wild Leaf Ventures Group Nevada Inc., Wild Leaf Holdings U.S. LLC and Wildpack Holdings US Inc., as outlined in the diagram below. Wild Leaf Holdings U.S. LLC holds significantly all assets and specific liabilities of both Lucky Clover Packaging LLC and CraftPack LLC, as more particularly described in the Filing Statement. Wildpack Holdings US Inc. owns 100% of the issued and outstanding voting securities of each of Vertical Distilling, LLC (“**Vertical**”) and CraftPac, LLC (“**CraftPac**”), as outlined in the diagram below.



**General Development of the Business**

The Company is a holding company and, through its subsidiaries, is engaged in beverage manufacturing and packaging, operating in the middle market by providing sustainable aluminum can filling and ecofriendly decorating services to brands throughout the United States. The Company currently operates indirectly through its wholly owned subsidiaries and out of facilities in Baltimore, Maryland, Atlanta, Georgia, Longmont, Colorado, Sacramento, California and Las Vegas, Nevada, with a focus on digital innovation and “green” ready-to-drink packaging.

Each facility is generally equipped to produce canned beverage products in a variety of package sizes and utilizes numerous package types and sizes, including can sizes and packaging specifications, to service various middle market beverage manufacturer requirements.

### *Principal Products and Services*

#### **Can Filling (can filling services)**

Can filling services involve receiving a customer's raw and packaging materials on a consignment basis, mixing the raw materials in accordance with formula specifications and packaging them in accordance with their specifications. The Company charges a tolling fee on a per gallon basis for this service.

Middle market brands have varying needs and require smaller production runs compared to top of market brands. As such, the Company has developed its manufacturing lines to provide the requisite flexibility to service these needs while optimizing changeover speed to maintain operational efficiency.

#### **Can Decorating (can decorating services)**

Can decorating services include the application of customer label design to blank aluminum cans. Beverage cans have a large, printable surface, which is customarily utilized by beverage manufacturers to advertise manufacturer and product specific designs and information. Middle market brands often do not meet the minimum order quantities to purchase printed aluminum cans and therefore are required to undertake direct or third-party labelling processes.

The Company predominantly applies heat-shrink sleeves but has the capabilities to apply pressure sensitive labels. This service is offered as both a stand alone (performed on an independent decorating line) or post-fill (performed by an applicator built into the filling line) service. Providing post-fill decorating allows the Company to achieve greater operational efficiency in instances where it is performing both filling and decorating services, relative to providing the services in succession of sleeving the can (pre-fill) and then filling the can. This efficiency arises from the conveyance and automation of the production line, removing the depalletizing and repalletizing.

The Company charges a service fee to coordinate the label printing on a per label basis and an application fee on a per can basis. In many circumstances the Company also provides the aluminum can and charges for this on a per can basis.

### *Methods of Distribution and Principal Markets*

The beverage industry is significantly impacted by geographic considerations. This is largely due to the costs of shipping raw and packaging materials as well as finished goods. The Company's customers are sensitive to this and therefore the principal markets that the Company generally operates in are within 1-day shipping of its facilities. The exception to this is in circumstances where the Company sells aluminum cans to its customers that are shipped to their location directly from the aluminum can manufacturing facility. This is encompassed within the can decorating division.

### *Research*

The Company, through its subsidiaries, works with its customers to fulfill market needs. As a result, the Company is constantly conducting research in the following areas: automated manufacturing processes; automated business processes; improving manufacturing machinery to reduce errors and scrap; filling and decorating technologies supporting key customer needs; implementing artificial intelligence broadly across manufacturing and business segments; and utilizing technology to improve customer experience.

The beverage manufacturing industry has undergone little innovation relative to other sectors. This provides the Company an opportunity to be a leader in innovation and develop strategic advantages in servicing middle market customers.

### *Operations*

The Company earns its revenue from contracts with customers for the sale of aluminum cans, decorated packaging materials or the provision of beverage can filling services to its customers. Contracts with customers for the sales of

decorated packaging or filled cans are recognized when control of the manufactured product is transferred to the customer, which is generally at the completion of production.

The Company provides storage to the customer in situations where the customer provides raw materials or requires storage of the finished product outside of a certain time frame. These storage services are a separate service and fees charged for this service are recognized in revenue as the storage service is provided to the customer.

The operating segments of the Company are based on the reports which are reviewed by the chief executive officer, in making strategic resource allocation decisions. The Company has identified 3 operating segments:

- Can filling
- Can decorating
- Corporate

### **Can Filling**

This reporting segment typically operates pursuant to the following process:

1. the customer provides its formula and specifications to the Company;
2. the customer ships its raw and packaging materials to the Company's facility;
3. the Company blends the customer's raw materials in accordance with its formula to create the beverage;
4. the Company processes the beverage through its manufacturing process in accordance with the customer's specifications to fill and seal an aluminum can;
5. the Company processes the sealed can through its manufacturing process in accordance with the customer's specifications to package the sealed can; and
6. the customer ships the finished goods from the Company's facility to their end destination.

The can filling segment utilizes a moderate number of components, most of which are provided by the customers. The major components, their price elasticity<sup>1</sup> and vendor concentration<sup>2</sup> include:

- film / inelastic / non-concentrated;
- glue / inelastic / non-concentrated;
- ink / inelastic / non-concentrated;
- pallets / inelastic / non-concentrated; and
- manufacturing equipment / inelastic / concentrated.

### **Can Decorating**

This reporting segment typically operates pursuant to the following processes:

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<sup>1</sup> Measured as the materiality of an increase in price during periods of increased demand.

<sup>2</sup> Components are concentrated if the Company purchases them from two or less vendors.

1. the customer provides its artwork and aluminum can specifications to the Company;
2. the Company reviews the artwork and has the artwork printed onto a label or heat-shrink sleeve;
3. the Company receives the labels or heat-shrink sleeve from the printer;
4. the Company processes the label or heat-shrink sleeve through its manufacturing process in accordance with the customer's specification to apply the label or heat-shrink sleeve to an aluminum can;
5. the Company processes the decorated aluminum cans through its manufacturing process in accordance with the customer's specifications to package the decorated can; and
6. the customer ships the finished goods from the Company's facility to their end destination.

Decorating utilizes the most components. The major components, their price elasticity and vendor concentration include:

- aluminum cans / slightly elastic / concentrated;
- aluminum ends / slightly elastic / concentrated;
- digitally printed sleeves / inelastic / concentrated;
- flexo printed sleeves / inelastic / concentrated;
- film / inelastic / non-concentrated;
- glue / inelastic / non-concentrated;
- ink / inelastic / non-concentrated;
- pallets / inelastic / non-concentrated; and
- manufacturing equipment / inelastic / concentrated.

In situations where blank aluminum cans are sold directly to customers from the manufacturer, the following process is generally followed:

1. the customer provides request a specific quantity of aluminum cans for a specification;
2. the Company sells the customer the requested aluminum cans; and
3. the aluminum cans are shipped to the customer directly from the manufacturer or from the inventory that the Company holds at its facilities.

If the aluminum cans are printed, the sale typically operates pursuant to the following process:

1. the customer provides its artwork and aluminum can specifications to the Company;
2. the Company undertakes a proofing process with an aluminum can manufacturer;
3. the aluminum can manufacturer makes the aluminum can and prints the customer's artwork directly onto the aluminum can; and

4. the aluminum cans are shipped to the customer directly from the manufacturer.

### **Corporate**

This reporting segment covers the Company's non-allocated, general overhead expenses, such as legal, compliance, accounting, head-office staff, and other such items. This reporting segment is reviewed for cost control and budgetary considerations. This segment supports the Company's ability to expand through either acquisition of or building new locations.

### *Competitive Conditions*

Due to the market generally being undersupplied with capacity relative to demand, the Company infrequently competes with other providers, as well as with fillers, beverage processors and packers, some of which operate for their own use and for the sale of beverage brands or aluminum can resellers. If it does, the Company typically only competes in one of the three operating segments as most competitors isolate their business and only provide one service.

The Company's competitive advantage is two-fold. Firstly, it is more vertically integrated than its competitors which decreases the vendors that a customer must work with thereby reducing shipping costs. Secondly, the Company operates in multiple states which broadens the 1-day shipping radius around its facilities. This allows customers with a national distribution strategy to produce their products closer to end distribution locations, thereby reducing shipping costs.

### *Recent Developments*

There have been no material developments in the business of the Company since August 30, 2021, the date of the filing of the Wildpack Financial Statements, which have not been disclosed in this Prospectus or the documents incorporated by reference herein.

### *Board Appointment*

On September 15, 2021, Mrs. Emma (Sara) Coyle, MBA, B.Sc. was appointed to the Board of Directors of the Company.

### *Proposed Significant Acquisition*

### **General**

The Company proposes to acquire, through its subsidiary Wildpack Holdings US Inc. ("**Wildpack Holdings**"), all of the issued and outstanding securities (the "**Acquisition**") in the capital of K.T. Murray Corporation DBA Land and Sea Packaging and Land and Sea Container ("**Land and Sea**" or "**L&S**"). The Acquisition will be completed pursuant to an acquisition agreement effective November 1, 2021 (the "**Acquisition Agreement**") among the Company in its capacity as Parent Guarantor, Wildpack Holdings in its capacity as Purchaser, Kim Murray in her capacity as sole securityholder of L&S (the "**Vendor**"), and Tim Murray in his capacity as a covenantor.

### **Description of L&S**

L&S is a packaging distributor headquartered in Grand Rapids, Michigan with a focus on the craft beverage space. L&S has been operating for over 20 years, supplying cans to 15 states and selling approximately 90 million cans last year. L&S has a 40,000 sq. ft. warehouse used for receiving and shipping products. Approximately 90% of L&S's revenue is related to selling cans and can-related items including can ends, can carriers, cartons and trays. The remaining 10% consists of industrial plastic packaging, glass beer bottles and related items. The day-to-day operations, sales and marketing of L&S's facilities will continue to be actively managed by L&S's existing team with resources provided by the Company to accelerate their growth.

### **Rationale for the L&S Acquisition**

The anticipated benefits of the L&S Acquisition are:

- continuation of the Company's growth strategy to build a national network of facilities and provide end-to-end solutions;
- anticipated to significantly increase cost savings in 2021 by approximately \$4.4 million, predominantly from procurement savings related to existing purchasing contracts;
- additional services from L&S, including planning, warehousing, packaging engineering support, material selection and conventional printed can options, anticipated to allow the Company's existing customers to reduce their product and overhead costs;
- the Company anticipates being able to leverage L&S's fully developed supply chain team that has considerable expertise;
- L&S's can and bottle throughput is approximately 135 million annually and the Company anticipates that this will allow the Company to grow its annual throughput to approximately 200 million;
- L&S anticipated to provide the Company with access to certain prominent suppliers in the industry; and
- going forward, L&S's Chief Executive Officer (being the Vendor), who has a considerable tenure in the industry, is expected to join the Company's existing management team and board of directors, which is anticipated to help the Company further execute its growth strategy.

### **L&S Financial Statements**

The L&S Acquisition represents a proposed "significant acquisition" for the Company for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*. The following financial statements of L&S are enclosed with this Prospectus: (i) Schedule "A" – the audited consolidated financial statements of L&S for the years ended December 31, 2020 and 2019; and (ii) Schedule "B" – the unaudited condensed interim consolidated financial statements of L&S for the nine months ended September 30, 2021, together with notes thereto.

The acquisition date to be used for accounting purposes is expected to be the closing date of the Acquisition.

### **Pooling Agreement**

In connection with the Acquisition, and as a condition of the Acquisition Agreement, the Company, the Vendor, certain Employee Bonus Recipients (as defined below) and Computershare Investor Services Inc. (the "**Pooling Agent**") will enter into a pooling agreement on or before the closing of the Acquisition (the "**Pooling Agreement**"). Pursuant to the terms of the Pooling Agreement, the Vendor and any applicable Employee Bonus Recipient will deposit certain of their Common Shares with the Pooling Agent on Closing to be held by the Pooling Agent and released to such party, subject to the provisions of the Pooling Agreement. The Common Shares will be released to such party over a period of 24-months from the closing date of the Acquisition (the "**Acquisition Closing Date**"), with a final tranche to be released on the 24-month anniversary of the Acquisition Closing Date. Other than as set out in the Pooling Agreement, no such party will sell, transfer, assign, mortgage or deal with in any manner any of the Common Shares which are subject to the terms of the Pooling Agreement.

### **Acquisition Agreement**

The terms of the Acquisition Agreement are substantially as described herein. The Acquisition Agreement is available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### Consideration

The Company will acquire, through Wildpack Holdings, all of the issued and outstanding securities of Land and Sea for an aggregate purchase price payable by Wildpack Holdings of US\$37,260,000 subject to certain adjustments and holdbacks (the “**Purchase Price**”). The Purchase Price will comprise (subject to certain adjustments): (i) cash consideration of approximately US\$26.1 million, which is anticipated to be funded through the net proceeds of each of the Offering and the Concurrent Private Placement (the “**Cash Consideration**”); and (ii) approximately 12,596,081 Common Shares issuable at a deemed price of C\$1.10 per Common Share (subject to confirmation based on a USD:CAD currency conversion to be completed prior to Closing) for an aggregate value of approximately US\$11.2 million. A portion of the Purchase Price is subject to a holdback (the “**Holdback**”) as security for the adjustment and indemnification obligations of the Vendor in accordance with the terms of the Acquisition Agreement. The Holdback will comprise a portion of each of the Cash Consideration and the Share Consideration and will be held by Wildpack Holdings for a customary period following the Acquisition Closing Date. The Holdback will be retained by Wildpack Holdings or released to the Vendor in accordance with the terms of the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Company has agreed to guarantee the payment by Wildpack Holdings of the Purchase Price, as well as any applicable adjustments and release of the Holdback, as required in accordance with the terms of the Acquisition Agreement.

### Representations and Warranties

The Acquisition Agreement contains representations and warranties regarding Land and Sea, the Vendor and Wildpack Holdings.

The Vendor has provided representations and warranties in favour of Wildpack Holdings relating to Land and Sea and to the Vendor herself. The representations and warranties of the Vendor includes representations and warranties as follows:

- (a) as to Land and Sea, with respect to: (i) corporate status and extra-provincial registration; (ii) capitalization; (iii) no conflicts and consents; (iv) financial statements; (v) undisclosed liabilities; (vi) absence of certain changes, (vii) events and conditions; (viii) material contracts; (ix) customers; (x) suppliers; (xi) leases; (xii) intellectual property; (xiii) personal information, anti-spam laws, and data security; (xiv) accounts receivable; (xv) insurance; (xvi) legal proceedings and governmental orders; (xvii) compliance with laws and permits; (xviii) environmental matters; (xix) benefit plans; (xx) employment matters; (xxi) taxes; (xxii) related party transactions; (xxiii) books and records; (xxiv) brokers; (xxv) banking information; (xxvi) business assets; (xxvii) inventory and customer assets; and (xxviii) full disclosure; and
- (b) as to the Vendor herself, with respect to: (i) authorization of the Vendor; (ii) capitalization; (iii) no conflicts and consents; (iv) brokers; (v) legal proceedings and governmental orders; and (vi) full disclosure.

Wildpack Holdings has also provided representations in favour of the Vendor including representations and warranties related to: (i) corporate status and authorization of Wildpack Holdings; (ii) no conflicts; (iii) brokers; (iv) legal proceedings; and (v) independent investigation.

### Covenants

The Vendor and Tim Murray (together, the “**Restricted Parties**”) have each made certain covenants regarding the Acquisition and related matters, including covenants related to (a) the conduct of the business of Land and Sea before closing of the Acquisition; (b) access to information pertaining to Land and Sea; (c) notice of certain events; (d) confidentiality; (e) non-disparagement; (f) release from certain claims; (g) the preparation of tax returns related to the pre-closing tax period and assistance with the preparation of tax returns for the post-Acquisition Closing Date tax year; (h) an election pursuant to section 338(h)(10) of the Internal Revenue Code; (i) additional post-closing covenants; (j) closing conditions; (k) further assurances; and (l) retained assets. The Restricted Parties have also agreed to non-competition and non-solicitation covenants following the Acquisition Closing Date, in accordance with the terms outlined in the Acquisition Agreement. Wildpack Holdings has also made certain customary and limited covenants typical for a transaction of this nature in favour of the Vendor.

### Conditions

The closing of the Acquisition is expected to occur before the end of the fourth quarter and is subject to the satisfaction or waiver of certain conditions to closing of the Acquisition, including (in addition to the completed execution and delivery of the Acquisition Agreement) (a) the execution and delivery of certain ancillary agreements contemplated in the Acquisition Agreement, including a new lease in respect of the real property currently leased by Land and Sea; (b) delivery of certain ancillary closing documents relating to the Acquisition for closing; (c) obtaining certain regulatory approvals, including approval of the TSXV; and (d) the execution of employment agreements between L&S and each Restricted Party, each of whom are key employees of Land and Sea; and (e) the Company having entered into a new lease in respect of the real property currently leased by Land and Sea.

### Indemnification

The Vendor has agreed to indemnify the Company, Wildpack Holdings and certain other parties (together, “**Wildpack Indemnitees**”) from and against all losses incurred by such parties relating to: (a) misrepresentations or breaches of certain representations and warranties of the Vendor in the Acquisition Agreement and certain ancillary agreements; (b) breaches of certain covenants in the Acquisition Agreement and certain ancillary agreements; and (c) any liabilities or obligations of Land and Sea prior to the closing, including with respect to taxes for any taxable period ending on or before the Acquisition Closing Date but excluding liabilities relating to certain inventory issues identified in the Acquisition Agreement, all as further described in the Acquisition Agreement. Subject to limited exceptions, the Vendor will not have any obligation to indemnify the Wildpack Indemnitees with respect to such losses until the Wildpack Indemnitees have suffered aggregated losses in excess of \$186,300 and in no event shall the aggregate liability of the Vendor with respect to any and all losses being indemnified exceed the Purchase Price, other than in the case of fraud by the Vendor.

Wildpack Holdings has also agreed to indemnify the Vendor for: (a) breaches of the representations and warranties of Wildpack Holdings under the Acquisition Agreement, (b) breaches of the covenants of Wildpack Holdings under the Acquisition Agreement, and (c) certain liabilities or obligations incurred after closing of the Acquisition.

### Termination

The Acquisition Agreement may be terminated: (a) by mutual written consent of Wildpack Holdings and the Vendor; (b) by Wildpack Holdings by written notice to the Vendor if certain conditions to closing of the Acquisition as set out in the Acquisition Agreement have not been met, or if it becomes apparent that such conditions will not be fulfilled, unless such failure is due to the failure of Wildpack Holdings to perform or comply with any covenants, agreements or conditions under the Acquisition Agreement before the Acquisition Closing Date; (c) by the Vendor by written notice to Wildpack Holdings if certain conditions to closing as set out in the Acquisition Agreement have not been met, or if it becomes apparent that such conditions will not be fulfilled, unless such failure is due to the failure of the Vendor to perform or comply with any covenants, agreements or conditions under the Acquisition Agreement before the Acquisition Closing Date; (d) by any party to the Acquisition Agreement if any law makes the consummation of the transactions contemplated by the Acquisition Agreement illegal or otherwise prohibited; or (e) by any party to the Acquisition Agreement upon the issuance of a governmental order restraining or enjoining the transactions contemplated by the Acquisition Agreement, and such governmental order shall have become final and non-appealable.

## **CONSOLIDATED CAPITALIZATION**

The following table sets forth the Company’s capitalization as of June 30, 2021 on an actual basis, adjusted to give effect to the completion of the acquisitions of each of CraftPac and Vertical (together, the “**Previous Acquisitions**”) as though they had occurred on June 30, 2021 and adjusted to give effect to the completion of the Previous Acquisitions, the Offering, the Concurrent Private Placement, and the Acquisition as though they had occurred on June 30, 2021. The tables and other information below should be read in conjunction with the Wildpack Interim Financial Statements, which are incorporated by reference in this Prospectus:

| Designation                       | Company as at<br>June 30, 2021<br>\$US (except securities) | Company as at<br>June 30, 2021 after<br>giving effect to the<br>Previous Acquisitions<br>\$US (except securities) | Company as at<br>June 30, 2021 after<br>giving effect to the<br>Previous Acquisitions ,<br>the Offering, the<br>Concurrent Private<br>Placement, and the<br>Acquisition <sup>(1)(2)(3)</sup><br>\$US (except securities) |
|-----------------------------------|--|---|--|
| Indebtedness                      | \$16,266,259   | \$16,650,618  | \$32,714,875   |
| Cash <sup>(4)</sup>               | \$15,020,184   | \$15,794,520  | \$21,262,721   |
| Common Shares                     | 66,854,860   | 66,854,860  | 102,131,353 <sup>(5)</sup>   |
| Warrants                          | 11,406,344 <sup>(6)</sup>                                  | 11,406,344 <sup>(6)</sup>   | 29,386,550 <sup>(7)</sup>  |
| Options                           | 6,262,052  | 6,262,052   | 6,252,052  |
| Restricted Share Units<br>(RSUs)  | 211,337  | 211,337   | 211,337  |
| Compensation Units <sup>(8)</sup> | 667,288  | 667,288   | 667,288  |
| Compensation Warrants             | 928,200 <sup>(9)</sup>                                     | 928,200 <sup>(9)</sup>  | 3,217,225 <sup>(10)</sup>  |
| Debentures                        | 20,000   | 20,000  | 40,000   |

**Notes:**

- (1) Assuming no exercise of the Over-Allotment Option.
- (2) Less the Underwriters' Fee of US\$1,060,241 and expenses of the Offering estimated to be US\$281,125 (exclusive of taxes).
- (3) Less the Underwriters' Fee of US\$1,124,498 and expenses of the Concurrent Private Placement estimated to be US\$40,4161
- (4) Net proceeds from the Offering and Concurrent Private Placement, less Acquisition purchase price.
- (5) Increase is attributable to (a) the equity component of the Acquisition, pursuant to which 12,596,081 Common Shares are issuable, and (b) the issuance of 22,680,412 Common Shares pursuant to the Offering.
- (6) Consists of 4,766,344 warrants, expiring May 17, 2023, with a strike price of CA\$1.10 and 6,640,000 warrants, expiring June 30, 2023, issued in connection with the debenture offering, with a strike price of CA\$1.81.
- (7) Consists of 4,766,344 warrants, expiring May 17, 2023, with a strike price of CA\$1.10, 6,640,000 warrants, expiring June 30, 2023, issued in connection with the debenture offering, with a strike price of CA\$1.81, 11,340,206 warrants issued in connection with this Offering, expiring on the date which is three years from the Closing Date, with a strike price of CA\$1.26, and 6,640,000 warrants, expiring on the date which is two years from the Closing Date, issued in connection with the Concurrent Private Placement, with a strike of CA\$1.81.
- (8) Issued in conjunction with Reverse Takeover to underwriters. Includes one common share and ½ purchase warrant, with an exercise price of CA\$0.90 and an expiry of May 17, 2022. The purchase warrants have a strike price of CA\$1.10 and will expire on the date which is two years from the date of issue, but have not yet been issued.
- (9) 928,200 Compensation Warrants, each of which is exercisable into one Common Share at an exercise price of CA\$1.81 until June 30, 2023.
- (10) 928,200 Compensation Warrants, each of which is exercisable into one Common Share at an exercise price of CA\$1.81, until June 30, 2023, plus 1,360,825 Compensation Warrants, each of which is exercisable into one Common Share at an exercise price of CA\$0.97 until the date which is two years from the Closing Date, plus 928,200 Compensation Warrants, each of which is exercisable into one Common Share at an exercise price of CA\$1.81 until the date which is two years from the Closing Date.
- (11) Dollar figures are converted at 1.245 Canadian dollars per 1 US dollar.

**USE OF PROCEEDS**

The net proceeds to the Company from the Offering are estimated to be \$20,330,000, after deducting the payment of the Underwriters' Fee of \$1,320,000, and the expenses of the Offering (estimated to be approximately \$350,000). If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering are estimated to be \$23,432,000, after deducting the Underwriters' Fee of \$1,518,000, and the expenses of the Offering (estimated to be approximately \$350,000). The net proceeds to the Company from the Concurrent Private Placement are estimated

to be \$18,550,000, after deducting the payment of the Private Placement Underwriting Fee (as defined below) of \$1,400,000 to the Private Placement Underwriters, and the expenses of the Concurrent Private Placement (estimated to be approximately \$50,000).

The Company intends to use the net proceeds of the Offering to partially fund the Cash Consideration portion of the purchase price of the Acquisition, and the Company's expenses related to the Acquisition and the Offering. The Company intends to use the net proceeds of the Concurrent Private Placement to fund the balance of the Cash Consideration portion of the Purchase Price of the Acquisition owing thereafter. See "*Description of the Business – Recent Developments – Proposed Significant Acquisition*". The balance of the proceeds of the Offering that exceed the amount required to fund the Purchase Price of the Acquisition and the Company's expenses related to the Acquisition and the Offering (if any) will be used for working capital purposes.

Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof.

If the Over-Allotment Option is exercised in full, the Company will receive additional net proceeds of \$3,102,000 after deducting the Underwriters' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, are expected to be added to general working capital.

In the event that the Acquisition is not completed, the net proceeds of the Offering will be used by the Company to pay the expenses incurred related to the negotiation and completion of the Acquisition, and any remaining funds will be used by the Company for general working capital requirements. See "*Risk Factors*".

While the Company currently anticipates that it will use the net proceeds of the Offering as set forth above, the Company may re-allocate the net proceeds of the Offering, as applicable from time to time, giving consideration to its strategy relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board of Directors of the Company. Management will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. See "*Risk Factors*".

The Company has a history of negative operating cash flow, as disclosed in the Company's financial statements. The Company does not currently intend to use the proceeds of the Offering to fund any anticipated negative cash flow from operating activities in future periods. See "*Risk Factors*".

## **PLAN OF DISTRIBUTION**

### ***General***

This Prospectus is being filed in each of the provinces of Canada, except Québec, to qualify the distribution of 22,680,412 Unit Shares and 11,340,206 Warrants comprising the 22,680,412 Units being offered under the Offering (26,082,473 Unit Shares and 13,041,236 Warrants comprising 26,082,473 Units if the Over-Allotment Option is exercised in full).

Pursuant to an underwriting agreement dated November 5, 2021 between the Company and the Underwriters, as underwriters, the Company has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, 22,680,412 Units at the Offering Price, for aggregate gross consideration of \$22,000,000 (assuming no exercise of the Over-Allotment Option), payable in cash to the Company against delivery of the Units. The obligations of the Underwriters under the Underwriting Agreement are subject to certain closing conditions and may be terminated at its discretion on the basis of "disaster out", "regulatory out" and "material adverse change out" clauses exercisable until the Closing Date and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

The Offering Price was determined by arm's length negotiation between the Company and the Underwriters with reference to the prevailing market price of the Common Shares. **The terms of the Offering and the prices of the Units have been determined by negotiation between the Company and the Underwriters.**

The Company has agreed to the Over-Allotment Option, exercisable in whole or in part, in the sole discretion of the Underwriters, at any time, and from time to time, until the Over-Allotment Deadline, of up to 3,402,601 Over-Allotment Units (being approximately 15% of the Units offered pursuant to the Offering) at the Offering Price. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Over-Allotment Units. A purchaser who acquires Over-Allotment Units forming part of the Underwriters' over allocation position acquires those Over-Allotment Units under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public relating to the Offering, the Underwriting Fee and the net proceeds to the Company before deducting the expenses of the Offering will be \$25,300,000, \$1,518,000 and \$23,782,000, respectively.

The Underwriting Agreement provides that the Company will pay, on closing of the Offering, the Underwriting Fee equal to 6.0% of gross proceeds raised in respect of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option). The aggregate Underwriting Fee payable to the Underwriters by the Company in consideration for its services in connection with the Offering is expected to be \$1,320,000. As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of Compensation Warrants as is equal to 6.0% of the gross proceeds of the Offering divided by the Offering Price. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at an exercise price of \$0.97 per Compensation Warrant Share for a period of 24 months following the Closing Date, subject to adjustment in certain customary events.

The Offering is being made in each of the provinces of Canada, except Québec. The Units will be offered through the Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

The Company intends to list the Unit Shares and the Warrants that may be issued pursuant to this Prospectus, which listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Under the Underwriting Agreement, the Company has agreed to indemnify and hold harmless each of the Underwriters and their affiliates and subsidiaries, and each Selling Firm (as defined therein), and their respective directors, officers, partners, agents, employees, and each other person, if any, controlling the Underwriters or their subsidiaries and affiliates against certain liabilities, including civil liabilities under Canadian securities legislation, and to contribute to payments the Underwriters may be required to make in respect thereof.

**The Offering is being made in each of the provinces of Canada other than Québec. The Units, Unit Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person, unless pursuant to an exemption to the registration requirements of such laws. Accordingly, the Underwriters have agreed that it will not offer, sell or deliver the Units, Unit Shares, Warrants or Warrant Shares within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.**

The Underwriters may offer, for sale directly by the Company, the Units, Unit Shares and Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons to "qualified institutional buyers" (as defined in Rule 144A), in each case in compliance with Rule 144A and applicable state securities laws. The Underwriters will offer and sell the Units, Unit Shares and Warrants outside the United States to non-U.S. Persons only in accordance with Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after commencement of the Offering, an offer or sale of the Units, Unit Shares and Warrants within the United States by any dealer (whether

or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

The Underwriters propose to offer the Units to the public initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the offering price for the Units may be decreased and may be further changed from time to time to amounts not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers of the Units is less than the amount paid by the Underwriters to the Company. Any such reduction will not affect the net proceeds received by the Company.

The Company has agreed, pursuant to the Underwriting Agreement, that, from the date of the Underwriting Agreement and ending on the date that is 90 days following the Closing Date, it will not, without the prior written consent of the Lead Underwriter (such consent not to be unreasonably withheld or delayed), issue, or agree to issue, any Common Shares or securities convertible into Common Shares other than in connection with: (i) the grant or exercise of securities under the Company's incentive plan; (ii) rights or obligations under securities or other financial instruments existing as of the date hereof; (iii) the issuance of securities in connection with property or share acquisitions; (iv) existing commitments to issue securities on the completion of the Acquisition; and (v) the issuance of Private Placement Debenture Units in connection with the Concurrent Private Placement.

Pursuant to the terms of the Underwriting Agreement, the Company's directors and officers will enter into lock-up agreements evidencing their agreement to not, without the consent of the Underwriters, which consent shall not be unreasonably withheld or delayed, offer, sell, or resell (or announce any intention to do so) any securities of the Company held by them or agree to or announce any such offer or sale for a period of 90 days following the Closing Date, other than in connection with a third party take-over bid made to all holders of Common Shares or a similar business combination transaction and other than securities sold to satisfy tax obligations on the exercise of convertible securities of the Company held by such person.

### **Book-Based System**

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about the week of November 22, 2021 or such other date as the Underwriters and the Company may mutually agree, acting reasonably.

It is anticipated that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form, or will otherwise be delivered to the Underwriters registered as directed by the Underwriters, on the Closing Date. Except in limited circumstances, a purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a Participant. CDS will record the Participants who hold Unit Shares and Warrants comprising the Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. Notwithstanding the foregoing, all Unit Shares, all Warrants and any Warrant Shares, offered and sold in the United States or to or for the account or benefit of U.S. Persons who are U.S. Accredited Investors will be issued in certificated, individually registered form.

### ***Price Stabilization and Passive Market-Making***

In connection with the Offering and subject to applicable laws (including Regulation M under the United States Securities Exchange Act of 1934, as amended), the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may carry out these transactions on the TSXV, in the over-the-counter market or otherwise.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market

making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

## **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

### ***Offering***

The Offering consists of Units offered at the Offering Price of \$0.97 per Unit. Each Unit will consist of one Unit Share and one-half of one Warrant.

### ***Authorized Share Capital***

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date of this Prospectus, there are 66,854,859 Common Shares issued and outstanding. The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company. The Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. There are no provisions for redemption, purchase for cancellation, surrender or purchase of funds.

### ***Unit Shares***

The holders of the Unit Shares, which are the Common Shares partially comprising the Units, are entitled, as holders of Common Shares, to receive notice of and to attend all meetings of the shareholders of the Company and have one vote for each Common Share held at all meetings of the shareholders of the Company.

All of such Unit Shares rank equally with Common Shares as to dividends, voting rights, participation in assets and in all other respects. None of such Unit Shares are subject to any call or assessment nor pre-emptive or conversion rights.

Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Company.

The Unit Shares partially comprising the Units offered hereby issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) may bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

The Unit Shares partially comprising the Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Unit Shares will not be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and provided that, subject to certain exceptions, the Company has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Company.

See “*Description of Securities Being Distributed – Authorized Share Capital*” above.

### **Warrants**

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at a price of \$1.26 per Warrant Share at any time prior to 5:00 p.m. (Eastern time) at any time up to 36 months following the Closing Date, subject to adjustment in certain customary events, after which time the Warrants will expire.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Company and Computershare, as warrant agent. The Company will appoint the principal transfer office of Computershare in Calgary, Alberta as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the class or number of securities issuable upon the exercise of the Warrants or the Exercise Price per Warrant Share in the event of the following additional events: (a) reclassifications of the Common Shares; (b) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or (c) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares issuable upon exercise by at least one one-hundredth of a Warrant Share, as the case may be.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to Computershare and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date of such event, if any.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Company may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing of at least 10% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of Warrants present in person or by proxy shall form a quorum) and passed by the affirmative vote of the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties.

The Warrants may not be exercised in the United States, or by or for the account of a U.S. Person or a person in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company.

### *Warrant Shares*

The holders of the Warrant Shares of the Company, essentially Common Shares issued upon exercise of the Warrants, are entitled, as holders of Common Shares, to receive notice of and to attend all meetings of the shareholders of the Company and have one vote for each Common Share held at all meetings of the shareholders of the Company.

All of such Warrant Shares rank equally with Common Shares as to dividends, voting rights, participation in assets and in all other respects. None of such Warrant Shares are subject to any call or assessment nor pre-emptive or conversion rights.

Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Company.

The Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) may bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

The Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Warrant Shares, if any, will not be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and provided that, subject to certain exceptions, the Company has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Company.

See “*Description of Securities Being Distributed – Authorized Share Capital*” above.

### ***Compensation Warrants***

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of Compensation Warrants as is equal to 6.0% of the gross proceeds of the Offering divided by the Offering Price. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at an exercise price of \$0.97 per Compensation Warrant Share for a period of 24 months following the Closing Date, subject to adjustment in certain customary events.

The certificates representing the Compensation Warrants will provide for standard adjustments in the number of Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants or the exercise price per Compensation Warrant subject to a Compensation Warrant upon the occurrence of certain events, including if the Company: (a) subdivides, re-divides or changes its outstanding Common Shares into a greater number of Common Shares; (b) consolidates, reduces or combines its outstanding Common Shares into a smaller number of Common Shares; or (c) fixes a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares or convertible securities to such holders as dividends paid in the ordinary course and other than rights, options or Warrants exercisable within a period expiring not more than 45 days after the record date for such issue to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per Common Share, or at an exchange or conversion price per Common Share, of at least 95% of the current market price of the Common Shares on such record date).

Holders of Compensation Warrants will not have any voting or any other rights which a holder of Common Shares would have.

The Compensation Warrants and the Compensation Warrant Shares have not been and will not be registered under the U.S. Securities Act, and the Compensation Warrants may not be exercised in the United States or by, or for the

account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

### PRIOR SALES

The following tables set forth details regarding issuances of Common Shares and issuances of securities convertible into or exchangeable, redeemable or exercisable for Common Shares during the 12-month period before the date of this Prospectus:

| Date              | Entity    | Type of Security                             | Number of Securities   | Issuance/Exercise Price per Security |
|-------------------|-----------|--|--|--------------------------------------|
| January 11, 2021  | PrivateCo | Simple Agreement for Future Equity (“SAFEs”) | 2,608,847 Common Shares <sup>(1)</sup>   | \$0.72                               |
| January 12, 2021  | PrivateCo | Common Shares <sup>(1)</sup>                 | 1,002,546  | \$1.6225                             |
| January 18, 2021  | PrivateCo | SAFEs  | 1,173,802 Common Shares <sup>(1)</sup>   | \$0.72                               |
| January 19, 2021  | PrivateCo | Common Shares <sup>(1)</sup>                 | 1,352,914  | \$2.3553                             |
| February 1, 2021  | PrivateCo | SAFEs  | 693,056 Common Shares <sup>(1)</sup>   | \$0.72                               |
| February 16, 2021 | PrivateCo | SAFEs  | 490,618 Common Shares <sup>(1)</sup>   | \$0.72                               |
| March 31, 2021    | PrivateCo | Subscription Receipts <sup>(1)</sup>         | 7,418,246  | \$0.90                               |
| March 31, 2021    | PrivateCo | Units  | 634,332 Common Shares <sup>(1)</sup><br>317,166 Warrants <sup>(2)</sup>          | \$0.90<br>\$1.10                     |
| May 17, 2021      | Company   | Common Shares                                | 65,613,294 <sup>(3)</sup>  | N/A                                  |
| May 17, 2021      | Company   | Warrants                                     | 4,766,344 <sup>(3)</sup>   | \$1.10                               |
| May 17, 2021      | Company   | Stock Options                                | 4,202,808 <sup>(4)</sup>   | \$0.27 to \$0.45                     |
| May 17, 2021      | Company   | Restricted Stock Units (“RSUs”)              | 84,971 <sup>(4)</sup>  | N/A                                  |
| May 17, 2021      | Company   | Compensation Units <sup>(5)</sup>            | 667,288 <sup>(4)</sup>   | \$0.90                               |
| May 17, 2021      | Company   | Stock Options                                | 118,891  | \$0.77                               |
| May 19, 2021      | Company   | Stock Options                                | 1,663,000  | \$0.90                               |
| May 19, 2021      | Company   | RSUs   | 148,000  | N/A                                  |
| May 24, 2021      | Company   | Stock Options                                | 200,000  | \$1.17                               |
| June 3, 2021      | Company   | Stock Options                                | 100,000  | \$1.20                               |
| June 7, 2021      | Company   | Common Shares <sup>(6)</sup>                 | 22,646   | \$0.77                               |
| June 30, 2021     | Company   | Convertible Debenture Units <sup>(7)</sup>   | \$20,000,000 of Convertible Debentures, \$1,000 face value<br>6,640,000 Warrants | \$1.51<br>\$1.81                     |
| June 30, 2021     | Company   | Compensation Warrants <sup>(8)</sup>         | 928,200  | \$1.81                               |

**Notes:**

- (1) Exchanged for post-Consolidation common shares of the Company in connection with the Reverse Takeover, at a 1-to-1 post-Consolidation ratio.
- (2) Exchanged for post-Consolidation replacement securities of an equivalent type of the Company in connection with the Reverse Takeover, at a 1-to-1 post-Consolidation ratio.
- (3) Issued by PPCC to PrivateCo in connection with the Reverse Takeover, on a post-Consolidation basis.
- (4) Granted by PPCC to PrivateCo in connection with the Reverse Takeover, on a post-Consolidation basis.
- (5) Each Compensation Unit comprises one Common Share and one-half of one Common Share purchase warrant exercisable at \$0.90 until May 18, 2022.
- (6) Exercise of stock options.

- (7) Each Convertible Debenture Unit (a “**Convertible Debenture Unit**”) comprises a convertible debenture in the principal amount of \$1,000 (“**Convertible Debenture**”) and 332 common share purchase warrants. An aggregate of 20,000 Convertible Debenture Units were issued. The Convertible Debentures are convertible into Common Shares at an exercise price of \$1.51 per share until June 30, 2025.
- (8) Each Compensation Warrant is exercisable into one Common Share at an exercise price of \$1.81 until June 30, 2023.

## TRADING PRICE AND VOLUME

### *Canadian Marketplace*

Prior to May 20, 2021, the common shares of PPCC were listed on the TSXV under the symbol “PPCC.P”. The common shares of PPCC were halted from trading between April 28, 2020 and May 19, 2021. On May 20, 2021, subsequent to completion of the Reverse Takeover, the Common Shares of the Company commenced trading on the TSXV under the symbol “CANS”.

The following table sets forth information relating to the trading of the Common Shares of the Company on the TSXV from May 20, 2021 until November 4, 2021:

| Month <sup>(1)</sup>            | High<br>(\$) | Low<br>(\$) | Volume    |
|---------------------------------|--------------|-------------|-----------|
| May 20 <sup>(2)</sup> – 31 2021 | 1.40         | 0.95        | 1,288,805 |
| June 2021                       | 1.25         | 0.89        | 2,892,111 |
| July 2021                       | 1.02         | 0.79        | 796,320   |
| August 2021                     | 0.99         | 0.85        | 797,160   |
| September 2021                  | 0.88         | 0.74        | 451,155   |
| October 2021                    | 1.31         | 0.77        | 2,350,225 |
| November 1 - 4 2021             | 1.09         | 0.93        | 567,274   |

**Notes:**

- (1) The common shares of PPCC were halted from trading between April 28, 2020 and May 19, 2021.
- (2) On May 20, 2021, the Common Shares commenced trading on the TSXV subsequent to completion of the Reverse Takeover.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to the Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Warrants acquired pursuant to the Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm’s length with the Company and the Underwriters, and is not affiliated with the Company or the Underwriters; and (ii) acquires and holds the Common Shares and Warrants as capital property (a “**Holder**”).

Common Shares and Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” within the meaning of section 142.2 of the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) that has made a “functional currency” reporting election under section 261 of the Tax Act; (iv) an interest in which is, or for whom a Common Share or Warrant would be, a “tax shelter investment” for the purposes of the Tax Act; (v) that has entered into a “derivative forward agreement”, or “synthetic disposition agreement” as defined in the Tax Act, in respect of Common Shares or Warrants; (vi) that is a corporation resident in Canada and that is or becomes (or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of any Common Shares, controlled by a non-resident person (or by a group of non-resident persons that do not deal at arm’s length with each other for purposes of the Tax Act) for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act; or (vii) that receives dividends on the Unit Shares or Warrant Shares under or as part of a “dividend rental arrangement” as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder (“**Regulations**”) in force as of the date hereof; (ii) all specific proposals (“**Proposed Amendments**”) to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

**This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.**

#### *Allocation of Cost*

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one-half Warrant included in each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$0.97 subscription price for each Unit, it intends to allocate \$0.91 to each Unit Share and \$0.06 to each one-half Warrant and believes that such allocation is reasonable. The Company’s allocation, however, is not binding on the CRA or on a Holder.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to the Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

#### *Exercise of Warrants*

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

#### *Holders Resident in Canada*

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (“**Resident Holder**”).

A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property.

Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

#### *Dividends*

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as “eligible dividends” will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be restrictions on the ability of the Company to designate particular dividends as “eligible dividends”.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A Resident Holder that is a “private corporation”, as defined in the Tax Act and certain other corporations controlled, directly or indirectly, by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

#### *Disposition of Common Shares and Warrants*

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant Share (other than a disposition to the Company in a transaction that is not a sale in the open market in the manner in which shares are normally purchased by any member of the public in the open market) or a Warrant (other than on the exercise or expiry of such Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of such security immediately before the disposition or deemed disposition.

Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such expired Warrant.

#### *Taxable Capital Gains and Losses*

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

#### *Other Income Taxes*

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

### ***Holders Not Resident in Canada***

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold (or deemed to use or hold) the Common Shares or Warrants in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere and such Non-Resident Holders should consult their own tax advisors.

### ***Dividends***

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada-United States Tax Convention (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%. Non-Resident Holders should consult their own tax advisors in this regard.

### ***Disposition of Common Shares and Warrants***

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV), unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or a Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holders Resident in Canada – Dispositions of Common Shares and Warrants*” and “*Holders Resident in Canada – Taxable Capital Gains and Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

## **RISK FACTORS**

There are various risks, including those described below and those set out in the Filing Statement that could have a material adverse effect upon, among other things, the business, business prospects and condition (financial or

otherwise) of the Company. The risks described below and in the Filing Statement are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below or in the Filing Statement actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the Filing Statement and the other information elsewhere in this short form prospectus and consult with their professional advisors to assess any investment in the Company:

## **Risks Related to the Offering and the Company's Securities**

### ***Completion of the Offering***

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "*Use of Proceeds*" from other sources on commercially reasonable terms or at all.

### ***Discretion in the Use of Proceeds***

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "*Use of Proceeds*" if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company results of operations may suffer.

### ***Market for Warrants***

There is currently no market through which the Warrants may be sold. There can be no assurance that an active or liquid market for the Warrants will develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Prospectus.

### ***Concurrent Private Placement***

The Concurrent Private Placement is subject to normal commercial risks that such transaction may not be completed on the terms negotiated or at all. The Offering and the Concurrent Private Placement are not conditional upon each other. There can be no assurance that the Concurrent Private Placement will be completed. As such, additional financing may be needed to fund the Acquisition and to continue funding the development and operation of the Company requiring the issuance of additional securities of the Company.

### ***Shareholder Rights***

Holders of Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if a holder of Warrants subsequently exercises its Warrants into Common Shares, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon the exercising of a Warrant and, to a limited extent, under the conversion rate adjustments under the Warrant Indenture. For example, in the event that an amendment is proposed to the Company's constituting documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

### ***Trading market***

The Company cannot assure that a market will continue to develop or be sustained for Common Shares, or securities convertible or exercisable into Common Shares, such as the Warrants. If a market does not continue to develop or is not sustained, it may be difficult for investors to sell Common Shares, or securities convertible or exercisable into Common Shares, such as the Warrants at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

### ***Sales of substantial amounts of Common Shares may have an adverse effect on the market price of the Common Shares***

Sales of substantial amounts of Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair Wildpack's ability to raise additional capital through the sale of securities should it desire to do so.

### ***Volatile market price for the Common Shares***

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond Wildpack's control, including, but not limited to the following: (i) actual or anticipated fluctuations in Wildpack's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which Wildpack will operate; (iv) addition or departure of Wildpack's executive officers and other key personnel and consultants; (v) release or expiration of transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional shares; (vii) operating and financial performance that vary from the expectations of management, securities analysts and investors; (viii) regulatory changes affecting Wildpack's industry generally and its business and operations both domestically and abroad; (ix) announcements of developments and other material events by Wildpack or its competitors; (x) fluctuations in the costs of vital production materials and services; (xi) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility; (xii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Wildpack or its competitors; (xiii) operating and share price performance of other companies that investors deem comparable to Wildpack or from a lack of market comparable companies; and (xiv) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Wildpack's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Common Shares may decline even if Wildpack's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, Wildpack's operations could be adversely impacted, and the trading price of Common Shares may be materially adversely affected.

### ***Currency Fluctuations***

Due to Wildpack's present operations in the United States, its intention to continue future operations outside Canada, and certain of its operating expenses being incurred in Canadian dollars, the Company is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Company's revenue will be earned in US dollars, but a portion of its operating expenses are incurred in Canadian dollars. The Company does not have currency hedging arrangements in place and there is no expectation that the Company will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the US dollar and the Canadian dollar, may have a material adverse effect on the Company's business, financial position or results of operations.

### ***Additional Issuance of Common Shares May Result in Dilution***

The Company's articles of incorporation allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board of Directors, in many cases, without the approval of the Company's shareholders. The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company may also issue Common Shares to finance future acquisitions. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

### **Risks Related to the Acquisition**

#### ***The Company Could Fail to Complete the Acquisition or Complete the Acquisition on Different Terms***

The completion of the Acquisition is subject to the satisfaction of a number of conditions and may not occur. These conditions include, among others, (i) obtaining necessary approvals; (ii) performance by each party of its obligations and covenants; (iii) the successful completion of the Offering; and (iv) the successful completion of the Concurrent Private Placement. If these conditions are not met or the Acquisition is not completed, the Company would not realize any anticipated benefits from the Acquisition.

There can be no assurance that even if the Acquisition is completed, it will be completed on the same or similar terms to those set out in this Prospectus. In addition, the ongoing business of the Company may be adversely affected as a result of the costs (including opportunity costs) incurred in respect of pursuing the Acquisition, and the Company could experience negative reactions from the financial markets, which could cause a decrease in the market price of the Company's securities, particularly if the market price reflects market assumptions that the Acquisition will be completed or completed on certain terms.

The Offering is not conditional on the concurrent completion of the Acquisition. Therefore, if the Acquisition does not close, the net proceeds of the Offering will be redirected, at the discretion of management and the directors of the Company, to general working capital for use on other spending priorities of the Company.

#### ***There May Be Unexpected Costs or Liabilities Related to the Acquisition***

Although the Company has conducted what it believes to be a prudent and thorough level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, L&S. Following the Acquisition, the Company may discover that it has acquired substantial undisclosed liabilities.

L&S has not reviewed the disclosure in this Prospectus relating to the Acquisition, and L&S has not certified that such disclosure represents full, true and plain disclosure and that the disclosure does not contain a misrepresentation. L&S will not have any liability to purchasers of Units pursuant to this Offering if the disclosure relating to the Acquisition, the Acquisition Agreement or L&S contains a misrepresentation.

In addition, the Company may be unable to retain some or all of the L&S employees following the acquisition. The continuing efforts of L&S senior management and other employees are important to L&S's and, after the Acquisition, the Company's success and their business would be harmed if they were to lose the services of key employees.

The existence of undisclosed liabilities and an inability to retain L&S employees could have an adverse impact on the Company's business, financial condition and results of operations

#### ***Information about L&S May Not Be Correct***

All information relating to L&S and its assets has been provided to the Company by L&S or other third parties. Although the Company has conducted what it believes to be a prudent level of investigation, an unavoidable level of risk remains regarding the accuracy and completeness of such information. While the Company has no reason to believe that the information provided by L&S or other third parties is misleading, untrue or incomplete in any material respect, neither the Company nor the Underwriters can assure the accuracy or completeness of such information nor can they compel L&S or other third parties to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Company or the Underwriters. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company or the Underwriters from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws.

#### ***Failure to Realize Acquisition Benefits***

Achieving the benefits of the Acquisition depends in part on successfully supporting L&S's growth initiatives and operations in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities. The process will require the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. These decisions and completion of the Acquisition will present challenges to management and special risks pertaining to possible unanticipated liabilities, unanticipated costs, and the potential loss of key employees. This process may result in the loss and the disruption of ongoing business and customer and employee relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of the Acquisition, and as a result of these factors, it is possible that the anticipated benefits of the Acquisition and the growth of the Company and L&S will not be realized as anticipated.

#### ***Risks Related to the Integration of L&S into the Company's Business***

In order to achieve the benefits of the Acquisition, the Company will rely upon its ability to successfully retain staff, consolidate functions and integrate operations, procedures and personnel in a timely and efficient manner and to realize the anticipated growth opportunities from combining L&S and its related operations with those of the Company. Although substantially all of the employees of L&S will be offered employment by the Company following the closing of the Acquisition, the integration of L&S and its related operations requires the dedication of Company management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters related to the Company during the integration process. The integration process may result in the disruption of ongoing business and customer relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the Acquisition.

#### ***Potential Undisclosed L&S Liabilities***

In the event that the Acquisition is completed, L&S will continue to have the liabilities that existed prior to completion of the same. The Company will also face the risks associated with the business of L&S. There may be liabilities and risks of L&S that the Company failed to discover prior to the completion of the Acquisition or was unable to accurately assess or quantify in its due diligence.

#### ***Risks Related to the Company's Business***

##### ***Negative Operating Cash Flow***

The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

### **OTHER INFORMATION**

Concurrent with the closing of the Offering, the Company intends to complete the Concurrent Private Placement of Private Placement Debenture Units for additional aggregate gross proceeds to the Company of up to \$20 million.

The Company will pay to the Private Placement Underwriters (on a pro rata basis) a cash commission equal to 6.0% of the gross proceeds from the sale of the Private Placement Debenture Units (the "**Private Placement Underwriting**").

**Fee**”). As additional consideration, the Company will issue to the Private Placement Underwriters (on a pro rata basis) such number of non-transferable compensation warrants (the “**Private Placement Compensation Warrants**”) as is equal to 6.0% of the gross proceeds of the Concurrent Private Placement. Each Private Placement Compensation Warrant entitles the holder thereof to acquire one Common Share for an exercise price of \$1.81 per Common Share for a period of 24 months following the Closing Date (subject to adjustment in certain customary events).

In addition, the Company will grant the Private Placement Underwriters an option (the “**Private Placement Option**”) to purchase, at the Private Placement Issue Price, up to such number of additional Private Placement Convertible Debentures of the Company (the “**Additional Private Placement Debenture Units**”) and together with the Private Placement Debenture Units, the “**Offered Debenture Units**”) as is equal to 15% of the number of the Private Placement Debenture Units sold under the Concurrent Private Placement. The Private Placement Option shall be exercisable for a period of 30 days following the Closing Date.

This Prospectus does not qualify the distribution of the Offered Debenture Units. The Private Placement Convertible Debentures, the Private Placement Warrants, the Common Shares issuable upon exercise of the Private Placement Warrants, and the Common Shares issuable upon conversion of the Private Placement Convertible Debentures under the Concurrent Private Placement will be subject to a statutory hold period. The Concurrent Private Placement is anticipated to close concurrently with the Offering, but the Offering and the Concurrent Private Placement are not conditional upon each other. There can be no assurance that the Concurrent Private Placement will be completed. Units sold under this Prospectus will remain outstanding whether or not the Concurrent Private Placement is completed.

#### **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES**

Two of the Company's directors, Matthew Dwyer and Emma Coyle, reside outside of Canada, and have appointed Wildpack Beverage Inc. of 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3 as each such director's agent for service of process.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

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

The Company's auditors are PricewaterhouseCoopers LLP, located at 250 Howe St Suite 1400, Vancouver, British Columbia V6C 3S7. PricewaterhouseCoopers LLP is independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Calgary, Alberta and Toronto, Ontario.

#### **INTEREST OF EXPERTS**

Certain legal matters relating to the Offering will be passed upon on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by Wildeboer Dellelce LLP. As at the date hereof, the partners and associates of Fasken Martineau DuMoulin LLP, as a group, own, directly or indirectly, less than 1.0% of the outstanding Common Shares. As at the date hereof, the partners and associates of Wildeboer Dellelce LLP, as a group, own, directly or indirectly, less than 1.0% of the outstanding Common Shares.

PricewaterhouseCoopers LLP are the independent auditors of the Company following the Reverse Takeover, and reported they are independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Echelbarger, Himebaugh, Tamm and Co. are the independent auditors of L&S, and reported they are independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

MNP LLP were the independent auditors of PrivateCo for the year ended March 31, 2020.

Davidson & Company LLP were the independent auditors of the Company prior to the completion of the Reverse Takeover.

#### **EXEMPTIONS FROM THE INSTRUMENT**

The Company is exempt from the requirement outlined in section 2.2(d) of National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”) to file current annual financial statements and a current AIF (each as defined in NI 44-101). The Company is exempt from the requirement to file current annual financial statements and a current AIF by virtue of being compliant with section 2.7(3) of NI 44-101.

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

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

**SCHEDULE "A" –  
AUDITED ANNUAL FINANCIAL STATEMENTS OF L&S FOR THE YEARS ENDED  
DECEMBER 31, 2020 and 2019**

*[See attached]*

# K.T. Murray Corporation dba Land & Sea Packaging

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Financial Statements  
Years Ended December 31, 2020 and 2019



2301 E Paris Ave SE, Grand Rapids, MI 49546

T (616) 575-3482 | F (616) 575-3481

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# K.T. Murray Corporation dba Land & Sea Packaging

## Table of Contents

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|   |       |
|---|-------|
| Independent Auditor's Report .....  | 3-4   |
| <b>Financial Statements</b>   |       |
| Statement of Financial Position as of December 31, 2020 and 2019.....                       | 6     |
| Statement of Income<br>Year Ended December 31, 2020, 2019, and January 1, 2019 .....        | 7     |
| Statement of Changes in Shareholder's Equity<br>Year Ended December 31, 2020 and 2019 ..... | 8     |
| Statement of Cash Flows<br>Year Ended December 31, 2020 and 2019 .....                      | 9     |
| Notes to Financial Statements.....  | 10-17 |



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## Independent Auditor's Report

Board of Directors  
K.T. Murray Corporation dba Land & Sea Packaging  
Grand Rapids, MI

### *Opinion*

We have audited the accompanying financial statements of K.T. Murray Corporation dba Land & Sea Packaging (the Company), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying balance sheets of K.T. Murray Corporation dba Land & Sea Packaging as of December 31, 2020 and 2019, and the statements of income, changes in stockholders' equity, and cash flows for the year ended December 31, 2020, present fairly, in all material respects, the financial position of K.T. Murray Corporation dba Land & Sea Packaging as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year ended December 31, 2020, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (collectively "IFRS").

### *Disclaimer of Opinion on 2019 Operations and Cash Flows*

Because of the significant of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations and cash flows for the year ended December 31, 2019 or on the consistency of application of accounting principles with the preceding year. Accordingly, we do not express such an opinion on the results of operations and cash flows for the year ended December 31, 2019.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of K.T. Murray Corporation dba Land & Sea Packaging and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the balance sheets as of December 31, 2020 and 2019, and the statements of income, changes in stockholders' equity, and cash flows for the year ended December 31, 2020.

### *Basis for Disclaimer of Opinion on 2019 Operations and Cash Flows*

We did not observe the taking of the physical inventory as of December 31, 2018, because that date was prior to our engagement as auditors for K.T. Murray Corporation dba Land & Sea Packaging, and we were unable to satisfy ourselves regarding inventory quantities by means of other auditing procedures. Inventory amounts as of December 31, 2018, enter into the determination of net income and cash flows for the year ended December 31, 2019.

### *Other Matter*

The comparative information presented herein as of January 1, 2019 has not been audited, reviewed, or compiled, and, accordingly, we express no opinion on it.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (collectively "IFRS"), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about K.T. Murray Corporation dba Land & Sea Packaging's ability to continue as a going concern.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of K.T. Murray Corporation dba Land & Sea Packaging's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about K.T. Murray Corporation dba Land & Sea Packaging's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Echelbarger, Himebaugh, Tamm & Co., PC*

Echelbarger, Himebaugh, Tamm and Co.  
Grand Rapids, MI

October 26, 2021

## Financial Statements

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# K.T. Murray Corporation dba Land & Sea Packaging

## Statements of Financial Position

| <i>December 31,</i>  | <i>2020</i>         | <i>2019</i>         | <i>January 1,<br/>2019<br/>(Unaudited)</i> |
|--|---------------------|---------------------|--|
| <b>Assets</b>  |                     |                     |  |
| <b>Current Assets</b>  |                     |                     |  |
| Cash   | \$ 1,065,263        | \$ 298,655          | \$ 435,165                                 |
| Accounts receivable, net of allowance of \$0 and \$144,028                                 | 1,695,794           | 1,056,809           | 1,105,397                                  |
| Inventories  | 1,340,390           | 612,310             | 523,574                                    |
| Prepaid expenses   | -                   | 83,846              | -  |
| Rebate receivable  | 523,100             | 247,153             | 49,898                                     |
| Undeposited funds  | 29,709              | 1,044               | 4,351                                      |
| <b>Total Current Assets</b>  | <b>4,654,256</b>    | <b>2,299,817</b>    | <b>2,118,385</b>                           |
| <b>Property and Equipment</b>  |                     |                     |  |
| Machinery and equipment  | 7,185               | 7,185               | 7,185                                      |
| Office furniture and fixtures  | 28,305              | 28,305              | 28,305                                     |
| Vehicles   | 55,064              | 37,000              | 37,000                                     |
| Less accumulated depreciation  | (17,777)            | (22,918)            | (10,448)                                   |
| <b>Net Property and Equipment</b>  | <b>72,777</b>       | <b>49,572</b>       | <b>62,042</b>                              |
| <b>Total Assets</b>  | <b>\$ 4,727,033</b> | <b>\$ 2,349,389</b> | <b>\$ 2,180,427</b>                        |
| <b>Liabilities</b>   |                     |                     |  |
| <b>Current Liabilities</b>   |                     |                     |  |
| Accounts payable   | \$ 3,988            | \$ 42,206           | \$ 154,433                                 |
| Accrued payroll and related liabilities  | 15,677              | 12,289              | 1,233                                      |
| Customer deposits  | 57,899              | 18,349              | -  |
| <b>Total Current Liabilities</b>   | <b>77,564</b>       | <b>72,844</b>       | <b>155,666</b>                             |
| <b>Total Liabilities</b>   | <b>77,564</b>       | <b>72,844</b>       | <b>155,666</b>                             |
| <b>Shareholder's Equity</b>  |                     |                     |  |
| Common Stock, \$.01 par value – shares authorized 50,000;<br>issued and outstanding 10,000 | 100                 | 100                 | 100  |
| Retained Earnings  | 4,649,369           | 2,276,445           | 2,024,661                                  |
| <b>Total Shareholder's Equity</b>  | <b>4,649,469</b>    | <b>2,276,545</b>    | <b>2,024,761</b>                           |
| <b>Total Liabilities and Shareholder's Equity</b>  | <b>\$ 4,727,033</b> | <b>\$ 2,349,389</b> | <b>\$ 2,180,427</b>                        |

See accompanying notes to financial statements.

# K.T. Murray Corporation dba Land & Sea Packaging

## Statements of Income

| <i>Year Ended December 31,</i>  | 2020          | 2019         |
|---------------------------------|---------------|--------------|
| <b>Sales</b>                    | \$ 15,772,583 | \$ 7,315,072 |
| <b>Cost of Sales</b>            | 11,745,649    | 5,670,716    |
| <b>Gross Profit</b>             | 4,026,934     | 1,644,356    |
| <b>Operating Expenses</b>       |               |              |
| Selling                         | 20,366        | 41,879       |
| Office and administrative       | 117,456       | 154,016      |
| Production tools & other        | 130,450       | 109,790      |
| Professional fees               | 22,279        | 25,332       |
| Salaries, wages and benefits    | 618,320       | 396,983      |
| Depreciation                    | 17,060        | 12,470       |
| Rent                            | 180,000       | 217,750      |
| Other operating expenses        | 20,274        | 178,589      |
| <b>Total Operating Expenses</b> | 1,126,205     | 1,136,809    |
| <b>Other Income</b>             |               |              |
| Gain on sale of assets          | 20,200        | -            |
| SBA PPP loan forgiveness        | 98,124        | -            |
| <b>Total Other Income</b>       | 118,324       | -            |
| <b>Net Income</b>               | \$ 3,019,053  | \$ 507,547   |

See accompanying notes to financial statements.

# K.T. Murray Corporation dba Land & Sea Packaging

## Statements of Changes in Shareholder's Equity

|                                   |    | Common<br>Stock |    | Retained<br>Earnings |    | Total<br>Shareholder's<br>Equity |
|-----------------------------------|----|-----------------|----|----------------------|----|----------------------------------|
| <b>Balance, January 01, 2019</b>  | \$ | 100             | \$ | 2,024,661            | \$ | 2,024,761                        |
| Distributions                     |    | -               |    | (255,763)            |    | (255,763)                        |
| Net income                        |    | -               |    | 507,547              |    | 507,547                          |
| <b>Balance, December 31, 2019</b> |    | 100             |    | 2,276,445            |    | 2,276,545                        |
| Distributions                     |    | -               |    | (646,129)            |    | (646,129)                        |
| Net income                        |    | -               |    | 3,019,053            |    | 3,019,053                        |
| <b>Balance, December 31, 2020</b> | \$ | 100             | \$ | 4,649,369            | \$ | 4,649,469                        |

*See accompanying notes to financial statements.*

# K.T. Murray Corporation dba Land & Sea Packaging

## Statements of Cash Flows

| <i>Year Ended December 31,</i>               | <i>2020</i>         | <i>2019</i>       |
|--|---------------------|-------------------|
| <b>Operating Activities</b>                  |                     |                   |
| Net income                                   | \$ 3,019,053        | \$ 507,547        |
| Adjustments for items not affecting cash:    |                     |                   |
| Depreciation                                 | 17,059              | 12,470            |
| Gain on disposal of assets                   | (20,200)            | -                 |
| SBA PPP loan forgiveness                     | (98,124)            | -                 |
| Change in non-cash working capital:          |                     |                   |
| Accounts receivable                          | (638,985)           | 48,588            |
| Inventories                                  | (728,080)           | (88,736)          |
| Prepaid expenses and other assets            | (220,766)           | (277,794)         |
| Accounts payable                             | (38,218)            | (112,227)         |
| Accrued other liabilities                    | 3,388               | 11,056            |
| Customer deposits                            | 39,550              | 18,349            |
| <b>Cash provided by operating activities</b> | <b>1,334,677</b>    | <b>119,253</b>    |
| <b>Financing Activities</b>                  |                     |                   |
| SBA PPP loan proceeds                        | 98,124              | -                 |
| Distributions                                | (646,129)           | (255,763)         |
| <b>Cash used in financing activities</b>     | <b>(548,005)</b>    | <b>(255,763)</b>  |
| <b>Investing Activities</b>                  |                     |                   |
| Purchase of vehicles                         | (55,064)            | -                 |
| Proceeds from sale of vehicles               | 35,000              | -                 |
| <b>Cash used in investing activities</b>     | <b>(20,064)</b>     | <b>-</b>          |
| <b>Net Increase (Decrease) in Cash</b>       | <b>766,608</b>      | <b>(136,510)</b>  |
| <b>Cash, beginning of year</b>               | <b>298,655</b>      | <b>435,165</b>    |
| <b>Cash, end of year</b>                     | <b>\$ 1,065,263</b> | <b>\$ 298,655</b> |

*See accompanying notes to financial statements.*

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### Note 1 – Nature of Operations

#### ***Business Activity***

Land & Sea Packaging (the Company) is a manufacturer that provides packaging solutions to entrepreneurs in the beverage industry (craft beer, craft cider and Spirits) along with packaging solutions for food products, and cleaning/chemical industries. The Company has expertise in logistics and planning the technical areas of packaging and container decoration. Land & Sea Packaging provides a single source for a customer's packaging needs.

#### ***Risks and Uncertainties***

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. COVID-19 continues to spread throughout the U.S. and the world and compliance with the various containment measures implemented by governmental authorities has impacted the Company's business, as well as the businesses of its customers, suppliers and other counterparties, and this impact could last for an indefinite period of time. There are no comparable recent events that provide guidance as to the effect of the spread of COVID-19 as a global pandemic, and as a result, the Company is unable to predict the full impact that COVID-19 will have on its results from operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures.

### Note 2 – Basis of Presentation

#### ***(a) Statement of compliance***

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These are the Company's first financial statements prepared in accordance with IFRS and as such, IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), has been applied January 1, 2019. A summary of the Company's significant accounting policies under IFRS is presented below. These policies have been applied retrospectively and consistently applied except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1.

These are the Company's first financial statements prepared for financial reporting purposes. Accordingly, an explanation of the impact of the application of IFRS is not presented.

#### ***(b) Basis of Presentation***

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### ***(c) Use of critical accounting judgements and estimates***

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. See note 4 for disclosure over the Company's significant accounting judgments and estimates.

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### Note 3 – Summary of Significant Accounting Policies

#### ***Cash***

Cash includes cash on hand and cash held in banks which are readily convertible into known amounts of cash. The Company maintains deposits at one financial institution, which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC).

#### ***Inventories***

Inventory consists of finished product packaging components (cans, bottles, cartons, etc.) and are stated at the lower of cost and net realizable value.

Inventories are initially recognized at cost, and subsequently measured at the lower of cost and net realizable value (the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale) using the "weighted average cost" method. Cost comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Inventory is regularly reviewed for obsolescence and is recorded net of any obsolescence provisions. Where there is a significant change in economic circumstances, inventory that had been previously written down below cost may be written back up provided the reversal does not exceed the original write down.

#### ***Revenue from contract with customers***

Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and/or services to a customer. The performance obligations in the agreements are considered one distinct performance obligation. The Company's agreements with customers for the sales of packaging components (aluminum cans, bottles, cartons etc.) are recognized when control is transferred to the customers on shipment or delivery, depending on the contract.

The Company provides storage to the customer in situation where the customer requires storage of the packaging components outside of a certain time frame. The fees charged for these services are recognized in revenue as the storage service is provided to the customer. Total fees charged for these services are immaterial.

The Company has certain agreements in which shipment of packaging components are made to customers. The prices for such shipments are generally fixed in the agreements and revenue is recognized at the point of shipment as this is when control transfers to the customer. The Company estimates the expected return of packaging components based on historical experience which reduces the amount of revenue recognized.

The transaction price is generally fixed in the agreements. In certain cases, these agreements do offer a volume discount for customers who make certain volume commitments.

The Company elected to apply the following practical expedients when applying IFRS 15:

The Company elects not to disclose the amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period as the Company has the right to consideration and recognizes revenue in an amount that directly corresponds with the performance completed to date.

The Company's credit terms to its customers vary by customer type. For certain customers, payment is due prior to shipment. Payments received in advance of the completion of performance obligations are deferred on the statement of financial position as deferred revenue and are only recognized in revenue once the performance obligation is completed.

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### **Research and Development costs**

Research costs are expensed as incurred. Development costs are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in the statement of income as incurred. As of December 31, 2020 and 2019, no development costs have been capitalized.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Assets are depreciated from the date they are placed into use.

The methods and rates of depreciation applicable for each class of asset during the year ended December 31, 2020 and 2019 are as follows:

|                               | Method        | Rate    |
|-------------------------------|---------------|---------|
| Machinery and equipment       | Straight-line | 7 years |
| Office furniture and fixtures | Straight-line | 7 years |
| Vehicles                      | Straight-line | 5 years |

The Company reassesses the useful life of its assets periodically.

### **Income taxes**

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholder is personally liable for income taxes on the Company's taxable income. Therefore, no provision for liability for federal or state income taxes has been included in these financial statements.

### **Financial Instruments**

Financial assets and financial liabilities, including derivatives, are recognized on the statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

#### **Classification**

The Company classifies its financial instruments in the following measurement categories: (a) fair value through profit and loss ("FVTPL"), (b) fair value through other comprehensive income ("FVTOCI"), and (c) amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are irrevocably designated at initial recognition as those to be measured at FVTPL. For assets and liabilities measured at FVTPL, gains and losses are recorded in the statement of income. For liabilities designated at FVTPL, changes due to the Company's own credit are recorded in other comprehensive income. The Company has no liabilities designated at FVTPL in the period presented.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified. Derivatives are recognized at their fair value. The Company does not have any derivatives in the year presented.

#### **Expected credit loss ("ECL") impairment model**

The Company uses the expected credit loss impairment model, which is based on changes in credit quality since initial application. This model is applied to assets measured at amortized cost.

- A maximum 12-month allowance for ECL is recognized from initial recognition reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instrument's initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 180 days past due. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of a financial asset is partially or fully written off when there is no realistic prospect of recovery. This typically occurs when the Company determines that the debtor does not have sufficient assets or cash flows to repay the amounts.

### **Amortized Cost**

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. The SPPI criterion effectively outlines that cashflows on an instrument that are not solely principal, and interest generally result in the instrument not meeting the criteria to be recorded at amortized cost. Financial assets classified in this category are measured at amortized cost using the effective interest method.

### **FVTPL**

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

### **FVTOCI**

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss).

### **Measurement**

All financial instruments are measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost in subsequent accounting periods. All other financial assets including equity investments are measured at their estimated fair values at the end

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss).

For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

The Company's classification of financial assets and liabilities is summarized below:

|  |                |
|--|----------------|
| Cash                                     | Amortized cost |
| Accounts receivable                      | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

### Derecognition

#### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of income.

#### Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of income.

### Fair value hierarchy

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company then recognizes a right-of-use asset ("ROU asset") and a lease liability at the lease commencement date.

The ROU asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company did not apply the standard to short-term leases, (defined to be lease terms of 12 months or less) and low value leases. These are expensed over the lease term. The Company does not have any leases under IFRS 16 for the years ended December 31, 2020 and 2019.

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### Note 4 – Significant Accounting Judgments and Estimates

#### *Estimates*

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made to income as appropriate in the period they become known.

#### *Expected credit losses on financial assets*

Determining an allowance for ECLs for all debt financial assets not held at FVTPL requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

### Note 5 – Inventories

Inventory consists of aluminum cans, bottles and associated beverage packaging materials.

At December 31, 2020 and 2019, inventories consisted of the following:

|                | December 31,<br>2020 | December 31,<br>2019 |
|----------------|----------------------|----------------------|
| Finished goods | \$ 1,340,390         | \$ 612,310           |

### Note 6 - Lease Commitments

The Company previously leased an office and warehouse facility under a month to month operating lease with a related party. During 2019 the Company entered a new month to month operating lease with a related party. The leases require the Company to pay for specified amounts of property taxes, insurance and maintenance in addition to monthly lease payments. Rent expense under these agreements amounted to \$180,000 and \$217,750 in 2020 and 2019, respectively.

### Note 7 - Related Party Transactions

The Company leases its office and warehouse facility from the spouse of the shareholder of the Company.

#### *Key management compensation*

Key management personnel are individuals responsible for planning, directing and controlling activities of the Company, and include executives and non-executive directors, officers and any employees. Compensation provided to key management personnel for the years ended December 31, 2020 and 2019 was as follows:

|                    | December 31,<br>2020 | December 31,<br>2019 |
|--------------------|----------------------|----------------------|
| Salaries and wages | \$283,671            | \$207,036            |

Key management personnel consist of one shareholder and three employees. These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed by the

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

related parties. For the years ended December 31, 2020 and 2019 there were no amounts due from or due to related parties.

### Note 8 – Geographical Disclosures and Key Customers

The Company conducts activities in the United States and Canada. For the years ended December 31, 2020 and 2019, there are two customers that represented 33% and 23% of the Company's revenue, respectively. For the year ended December 31, 2020 there are three customers that represented 58% of the Company's accounts receivable and for the year ended December 31, 2019, there are two customers that represented 43% of the Company's accounts receivable. For the year ended December 31, 2020, there is one vendor that represented 70% of the Company's purchases and for the year ended December 31, 2019, there are two vendors that represented 74% of the Company's purchases and 70% of the Company's accounts payable, respectively. The Company also receives a volume related rebate from one of its significant vendors, this rebate amounted to \$523,100 and \$247,153 for the years ended December 31, 2020 and 2019, respectively, which is included in rebate receivable.

### Note 9 – Financial Risk Management

#### Fair value

The carrying amount of cash and cash equivalents, cash held in trust, accounts receivable, notes receivable, line of credit, accounts payable and accrued liabilities, advances from related parties, current portion of long-term debt, on the consolidated statements of financial position approximate their fair value due to the relatively short-term maturity of these financial instruments.

#### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable US chartered banks. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at year-end is limited to the accounts receivable balance. The ECL recorded as of December 31, 2020 and 2019 is \$0 and \$144,028, respectively.

The aging of accounts receivable at the year ends was:

|                               | December 31, 2020 |           | December 31, 2019 |            |
|-------------------------------|-------------------|-----------|-------------------|------------|
|                               | Gross             | Allowance | Gross             | Allowance  |
| Not past due                  | \$ 1,080,086      | \$ -      | \$ 475,785        | \$ 2,072   |
| Past due 1-30 days            | 494,184           | -         | 261,746           | 2,005      |
| Past due 31-60 days           | 17,412            | -         | 129,055           | -          |
| Past due 61-90 days           | 20,522            | -         | 110,893           | 2,072      |
| Past due greater than 90 days | 83,590            | -         | 223,357           | 137,879    |
| Total                         | \$ 1,695,794      | \$ -      | \$ 1,200,836      | \$ 144,028 |

The movement in the allowance for doubtful accounts in respect of accounts receivable during the year ended was as follows:

|                            | December 31,<br>2020 | December 31,<br>2019 |
|----------------------------|----------------------|----------------------|
| Balance, beginning of year | \$ 144,028           | \$ -                 |
| Additional allowance       | -                    | 144,028              |
| Reduction of allowance     | (144,028)            | -                    |
| Balance, end of year       | \$ -                 | \$ 144,028           |

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities.

As at December 31, 2020 and 2019, the Company had a cash balance of \$1,065,263 and \$298,655 to settle current liabilities of \$76,756 and \$72,844, respectively. Management believes there is sufficient capital in order to meet short-term business obligations, after taking into consideration the cash flows requirements from operations and its cash position as at the reporting date.

The undiscounted contractual maturity of all financial liabilities is as follows:

|  | Carrying amount | Contractual undiscounted cash flows | Within 1 year | 1 to 3 years | 3 to 5 years | Over 5 years |
|--|-----------------|-------------------------------------|---------------|--------------|--------------|--------------|
| Accounts payable & accrued liabilities | \$ 77,564       | \$ 77,564                           | \$ 77,564     | \$ -         | \$ -         | \$ -         |
| Total                                  | \$ 77,564       | \$ 77,564                           | \$ 77,564     | \$ -         | \$ -         | \$ -         |

### *Market risk*

Market rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates and/or foreign currency exchange rates or other price risk. The Group holds no instruments which are subject to price risk and does not face any substantial market risk.

### **Note 11 – Commitments and Contingencies**

The Company is not aware of any pending or outstanding litigation that would have a material impact on the Company's financial condition. The Company's accounting policy is to include the estimated net cost of disposition of known claims and lawsuits in its financial statements where it is possible to make such estimates.

In the opinion of management, all such claims and suits are adequately covered by insurance, or are provided in the financial statements or, if not so covered or provided for, the results are not expected to materially affect the Company's financial position or results of operations.

### **Note 12 – Paycheck Protection Program Loan**

In April 2020, the Company received funding of \$98,124 for a forgivable Paycheck Protection Program (PPP) loan under the Coronavirus Aid Relief and Economic Security (CARES) Act. The Company met all conditions for forgiveness in 2020 and the PPP loan was forgiven by the U.S. Small Business Administration (SBA) in June 2021. The loan forgiveness has been recognized in the Statement of Income under Other Income in 2020 as all conditions for forgiveness had been met and the Company expected full forgiveness.

### **Note 13 - Subsequent Events**

The Company has evaluated subsequent events through October 26, 2021, the date the financial statements were available for issuance.

**SCHEDULE "B" –  
UNAUDITED INTERIM FINANCIAL STATEMENTS OF L&S FOR THE PERIOD ENDED  
SEPTEMBER 30, 2021**

*[See attached]*

# K.T. Murray Corporation dba Land & Sea Packaging

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Financial Statements  
For the Period Ended September 30, 2021



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# K.T. Murray Corporation dba Land & Sea Packaging

## Table of Contents

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|  |      |
|--|------|
| Independent Accountant’s Review Report .....   | 3    |
| <b>Financial Statements</b>  |      |
| Statement of Financial Position as of September 30, 2021 .....                       | 4    |
| Statement of Income<br>Period Ended September 30, 2021.....                          | 5    |
| Statement of Changes in Shareholder’s Equity<br>Period Ended September 30, 2021..... | 6    |
| Statement of Cash Flows<br>Period Ended September 30, 2021.....                      | 7    |
| Notes to Financial Statements.....   | 8-16 |



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## Independent Accountant's Review Report

Board of Directors  
K.T. Murray Corporation dba Land & Sea Packaging  
Grand Rapids, MI

We have reviewed the accompanying interim financial statements of K.T. Murray Corporation dba Land & Sea Packaging (the Company), which comprise the statement of financial position as of September 30, 2021, and the related statements of income, changes in stockholder's equity, and cash flows for the nine months then ended, and the related notes to the interim financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the interim financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (collectively "IFRS"), this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting on whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with IFRS. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with IFRS.

A handwritten signature in black ink that reads "Echelbarger, Himebaugh, Tamm &amp; Co., PC".

Echelbarger, Himebaugh, Tamm and Co.  
Grand Rapids, MI

October 26, 2021

## Financial Statements

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# K.T. Murray Corporation dba Land & Sea Packaging

## Statement of Financial Position

| <i>As of September 30,</i>  |           | <i>2021</i>      |
|---|-----------|------------------|
| <b>Assets</b>   |           |                  |
| <b>Current Assets</b>   |           |                  |
| Cash  | \$        | 3,064,786        |
| Accounts receivable   |           | 1,315,212        |
| Inventories   |           | 884,188          |
| Rebate receivable   |           | 497,481          |
| Undeposited funds   |           | 19,366           |
| <b>Total Current Assets</b>   |           | <b>5,781,033</b> |
| <b>Property and Equipment</b>   |           |                  |
| Machinery and equipment   |           | 7,185            |
| Office furniture and fixtures   |           | 28,305           |
| Vehicles  |           | 55,064           |
| Less accumulated depreciation   |           | (29,839)         |
| <b>Net Property and Equipment</b>   |           | <b>60,715</b>    |
| <b>Total Assets</b>   | <b>\$</b> | <b>5,841,748</b> |
| <b>Liabilities</b>  |           |                  |
| <b>Current Liabilities</b>  |           |                  |
| Accounts payable  | \$        | 43,474           |
| Accrued payroll and related liabilities   |           | 9,771            |
| Customer deposits   |           | 159,212          |
| <b>Total Current Liabilities</b>  |           | <b>212,457</b>   |
| <b>Total Liabilities</b>  |           | <b>212,457</b>   |
| <b>Shareholder's Equity</b>   |           |                  |
| Common Stock, \$.01 par value – shares authorized 50,000; issued and outstanding 10,000 |           | 100              |
| Retained Earnings   |           | 5,629,191        |
| <b>Total Shareholder's Equity</b>   |           | <b>5,629,291</b> |
| <b>Total Liabilities and Shareholder's Equity</b>                                       | <b>\$</b> | <b>5,841,748</b> |

See accompanying notes to financial statements.

# K.T. Murray Corporation dba Land & Sea Packaging

## Statement of Income

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| <i>Period Ended September 30,</i> | <i>2021</i>   |
|-----------------------------------|---------------|
| <b>Sales</b>                      | \$ 17,264,422 |
| <b>Cost of Sales</b>              | 13,120,748    |
| <b>Gross Profit</b>               | 4,143,674     |
| <b>Operating Expenses</b>         |               |
| Selling                           | 6,660         |
| Office and administrative         | 28,355        |
| Production tools & other          | 51,464        |
| Professional fees                 | 20,586        |
| Salaries, wages and benefits      | 460,188       |
| Depreciation                      | 12,062        |
| Rent                              | 135,000       |
| Other operating expenses          | 1,233         |
| <b>Total Operating Expenses</b>   | 715,548       |
| <b>Net Income</b>                 | \$ 3,428,126  |

See accompanying notes to financial statements.

# K.T. Murray Corporation dba Land & Sea Packaging

## Statement of Changes in Shareholder's Equity

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|                                    | Common<br>Stock | Retained<br>Earnings | Total<br>Shareholder's<br>Equity |
|------------------------------------|-----------------|----------------------|----------------------------------|
| <b>Balance, January 1, 2021</b>    | \$ 100          | \$ 4,649,369         | \$ 4,649,469                     |
| Distributions                      | -               | (2,448,304)          | (2,448,304)                      |
| Net income                         | -               | 3,428,126            | 3,428,126                        |
| <b>Balance, September 30, 2021</b> | \$ 100          | \$ 5,629,191         | \$ 5,629,291                     |

See accompanying notes to financial statements.

# K.T. Murray Corporation dba Land & Sea Packaging

## Statement of Cash Flows

---

| <i>Period Ended September 30,</i>            | <i>2021</i>         |
|--|---------------------|
| <b>Operating Activities</b>                  |                     |
| Net income                                   | \$ 3,428,126        |
| Adjustments for items not affecting cash:    |                     |
| Depreciation                                 | 12,062              |
| Change in non-cash working capital:          |                     |
| Accounts receivable                          | 380,582             |
| Inventories                                  | 456,202             |
| Prepaid expenses and other assets            | 35,962              |
| Accounts payable                             | 39,486              |
| Accrued other liabilities                    | (5,906)             |
| Customer deposits                            | 101,313             |
| <b>Cash provided by operating activities</b> | <b>4,447,827</b>    |
| <b>Financing Activities</b>                  |                     |
| Distributions                                | (2,448,304)         |
| <b>Cash used in financing activities</b>     | <b>(2,448,304)</b>  |
| <b>Net Increase in Cash</b>                  | <b>1,999,523</b>    |
| <b>Cash, beginning of period</b>             | <b>1,065,263</b>    |
| <b>Cash, end of period</b>                   | <b>\$ 3,064,786</b> |

*See accompanying notes to financial statements.*

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### Note 1 – Nature of Operations

#### *Business Activity*

Land & Sea Packaging (the Company) is a manufacturer that provides packaging solutions to entrepreneurs in the beverage industry (craft beer, craft cider and Spirits) along with packaging solutions for food products, and cleaning/chemical industries. The Company has expertise in logistics and planning the technical areas of packaging and container decoration. Land & Sea Packaging provides a single source for a customer's packaging needs.

#### *Risks and Uncertainties*

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. COVID-19 continues to spread throughout the U.S. and the world and compliance with the various containment measures implemented by governmental authorities has impacted the Company's business, as well as the businesses of its customers, suppliers and other counterparties, and this impact could last for an indefinite period of time. There are no comparable recent events that provide guidance as to the effect of the spread of COVID-19 as a global pandemic, and as a result, the Company is unable to predict the full impact that COVID-19 will have on its results from operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures.

### Note 2 – Basis of Presentation

#### *(a) Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). A summary of the Company's significant accounting policies under IFRS is presented below. These policies have been applied retrospectively and consistently applied except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1.

#### *(b) Basis of Presentation*

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### *(c) Use of critical accounting judgements and estimates*

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. See note 4 for disclosure over the Company's significant accounting judgments and estimates.

### Note 3 – Summary of Significant Accounting Policies

#### *Cash*

Cash includes cash on hand and cash held in banks which are readily convertible into known amounts of cash. The Company maintains deposits at one financial institution, which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC).

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### ***Inventories***

Inventory consists of finished product packaging components (cans, bottles, cartons, etc.) and are stated at the lower of cost and net realizable value.

Inventories are initially recognized at cost, and subsequently measured at the lower of cost and net realizable value (the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale) using the "weighted average cost" method. Cost comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Inventory is regularly reviewed for obsolescence and is recorded net of any obsolescence provisions. Where there is a significant change in economic circumstances, inventory that had been previously written down below cost may be written back up provided the reversal does not exceed the original write down.

### ***Revenue from contract with customers***

Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and/or services to a customer. The performance obligations in the agreements are considered one distinct performance obligation. The Company's agreements with customers for the sales of packaging components (aluminum cans, bottles, cartons etc.) are recognized when control is transferred to the customers on shipment or delivery, depending on the contract.

The Company provides storage to the customer in situation where the customer requires storage of the packaging components outside of a certain time frame. The fees charged for these services are recognized in revenue as the storage service is provided to the customer. Total fees charged for these services are immaterial.

The Company has certain agreements in which shipment of packaging components are made to customers. The prices for such shipments are generally fixed in the agreements and revenue is recognized at the point of shipment as this is when control transfers to the customer. The Company estimates the expected return of packaging components based on historical experience which reduces the amount of revenue recognized.

The transaction price is generally fixed in the agreements. In certain cases, these agreements do offer a volume discount for customers who make certain volume commitments.

The Company elected to apply the following practical expedients when applying IFRS 15:

The Company elects not to disclose the amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period as the Company has the right to consideration and recognizes revenue in an amount that directly corresponds with the performance completed to date.

The Company's credit terms to its customers vary by customer type. For certain customers, payment is due prior to shipment. Payments received in advance of the completion of performance obligations are deferred on the statement of financial position as deferred revenue and are only recognized in revenue once the performance obligation is completed.

### ***Research and Development costs***

Research costs are expensed as incurred. Development costs are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in the statement of income as incurred. As of September 30, 2021 no development costs have been capitalized.

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Assets are depreciated from the date they are placed into use.

The methods and rates of depreciation applicable for each class of asset as of September 30, 2021 are as follows:

|                               | Method        | Rate    |
|-------------------------------|---------------|---------|
| Machinery and equipment       | Straight-line | 7 years |
| Office furniture and fixtures | Straight-line | 7 years |
| Vehicles                      | Straight-line | 5 years |

The Company reassesses the useful life of its assets periodically.

### **Income taxes**

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholder is personally liable for income taxes on the Company's taxable income. Therefore, no provision for liability for federal or state income taxes has been included in these financial statements.

### **Financial Instruments**

Financial assets and financial liabilities, including derivatives, are recognized on the statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

#### **Classification**

The Company classifies its financial instruments in the following measurement categories: (a) fair value through profit and loss ("FVTPL"), (b) fair value through other comprehensive income ("FVTOCI"), and (c) amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are irrevocably designated at initial recognition as those to be measured at FVTPL. For assets and liabilities measured at FVTPL, gains and losses are recorded in the statement of income. For liabilities designated at FVTPL, changes due to the Company's own credit are recorded in other comprehensive income. The Company has no liabilities designated at FVTPL in the period presented.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified. Derivatives are recognized at their fair value. The Company does not have any derivatives in the period presented.

#### **Expected credit loss ("ECL") impairment model**

The Company uses the expected credit loss impairment model, which is based on changes in credit quality since initial application. This model is applied to assets measured at amortized cost.

- A maximum 12-month allowance for ECL is recognized from initial recognition reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instrument's initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 180 days past due. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore,

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of a financial asset is partially or fully written off when there is no realistic prospect of recovery. This typically occurs when the Company determines that the debtor does not have sufficient assets or cash flows to repay the amounts.

### **Amortized Cost**

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. The SPPI criterion effectively outlines that cashflows on an instrument that are not solely principal, and interest generally result in the instrument not meeting the criteria to be recorded at amortized cost. Financial assets classified in this category are measured at amortized cost using the effective interest method.

### **FVTPL**

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

### **FVTOCI**

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss).

### **Measurement**

All financial instruments are measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost in subsequent accounting periods. All other financial assets including equity investments are measured at their estimated fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss).

For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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The Company's classification of financial assets and liabilities is summarized below:

|  |                |
|--|----------------|
| Cash                                     | Amortized cost |
| Accounts receivable                      | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

### Derecognition

#### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of income.

#### Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of income.

### Fair value hierarchy

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company then recognizes a right-of-use asset ("ROU asset") and a lease liability at the lease commencement date.

The ROU asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company did not apply the standard to short-term leases, (defined to be lease terms of 12 months or less) and low value leases. These are expensed over the lease term. The Company does not have any leases under IFRS 16 as of September 30, 2021.

## Note 4 – Significant Accounting Judgments and Estimates

### Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets,

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made to income as appropriate in the period they become known.

### **Expected credit losses on financial assets**

Determining an allowance for ECLs for all debt financial assets not held at FVTPL requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

### **Note 5 – Inventories**

Inventory consists of aluminum cans, bottles and associated beverage packaging materials.

At September 30, 2021, inventories consisted of the following:

|                |                       |
|----------------|-----------------------|
|                | September 30,<br>2021 |
| Finished goods | \$ 884,188            |

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### **Note 6 - Lease Commitments**

The Company previously leased an office and warehouse facility under a month to month operating lease with a related party. During 2019 the Company entered a new month to month operating lease with a related party. The leases require the Company to pay for specified amounts of property taxes, insurance and maintenance in addition to monthly lease payments. Rent expense under these agreements amounted to \$135,000 as of September 30, 2021.

### **Note 7 - Related Party Transactions**

The Company leases its office and warehouse facility from the spouse of the shareholder of the Company.

#### *Key management compensation*

Key management personnel are individuals responsible for planning, directing and controlling activities of the Company, and include executives and non-executive directors, officers and any employees. Compensation provided to key management personnel as of September 30, 2021 was as follows:

|                    |                       |
|--------------------|-----------------------|
|                    | September 30,<br>2021 |
| Salaries and wages | \$190,979             |

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Key management personnel consist of one shareholder and three employees. These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed by the related parties. As of September 30, 2021 there were no amounts due from or due to related parties.

### **Note 8 – Geographical Disclosures and Key Customers**

The Company conducts activities in the United States and Canada. As of September 30, 2021, there are two customers that represented 37% of the Company's revenue and 56% of the Company's accounts receivable. As of September 30, 2021, there is one vendor that represented 73% of the Company's purchases and 37%

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

of payables. The Company also receives a volume related rebate from one of its significant vendors, this rebate amounted to \$497,481 as of September 30, 2021, which is included in rebate receivable.

### Note 9 – Financial Risk Management

#### *Fair value*

The carrying amount of cash and cash equivalents, cash held in trust, accounts receivable, notes receivable, line of credit, accounts payable and accrued liabilities, advances from related parties, current portion of long-term debt, on the consolidated statements of financial position approximate their fair value due to the relatively short-term maturity of these financial instruments.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable US chartered banks. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at the interim financial statement date is limited to the accounts receivable balance. There has been no ECL recorded as of September 30, 2021.

The aging of accounts receivable at the date of the financial statements was:

|                               | September 30, 2021 |           |
|-------------------------------|--------------------|-----------|
|                               | Gross              | Allowance |
| Not past due                  | \$ 1,003,546       | \$ -      |
| Past due 1-30 days            | 234,122            | -         |
| Past due 31-60 days           | 12,671             | -         |
| Past due 61-90 days           | 62,450             | -         |
| Past due greater than 90 days | 2,423              | -         |
| Total                         | \$ 1,315,212       | \$ -      |

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities.

As of September 30, 2021, the Company had a cash balance of \$3,064,786 to settle current liabilities of \$212,457. Management believes there is sufficient capital in order to meet short-term business obligations, after taking into consideration the cash flows requirements from operations and its cash position as at the reporting date.

The undiscounted contractual maturity of all financial liabilities is as follows:

|  | Carrying amount | Contractual undiscounted cash flows | Within 1 year | 1 to 3 years | 3 to 5 years | Over 5 years |
|--|-----------------|-------------------------------------|---------------|--------------|--------------|--------------|
| Accounts payable & accrued liabilities | \$ 212,457      | \$ 212,457                          | 212,457       | -            | -            | -            |
| Total                                  | \$ 212,457      | \$ 212,457                          | 212,457       | -            | -            | -            |

# K.T. Murray Corporation dba Land & Sea Packaging

## Notes to the Financial Statements

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### *Market risk*

Market rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates and/or foreign currency exchange rates or other price risk. The Group holds no instruments which are subject to price risk and does not face any substantial market risk.

### **Note 11 – Commitments and Contingencies**

The Company is not aware of any pending or outstanding litigation that would have a material impact on the Company's financial condition. The Company's accounting policy is to include the estimated net cost of disposition of known claims and lawsuits in its financial statements where it is possible to make such estimates.

In the opinion of management, all such claims and suits are adequately covered by insurance, or are provided in the financial statements or, if not so covered or provided for, the results are not expected to materially affect the Company's financial position or results of operations.

### **Note 12 - Subsequent Events**

The Company has evaluated subsequent events through October 26, 2021, the date the financial statements were available for issuance.

**CERTIFICATE OF THE COMPANY**

Dated: November 5, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all the provinces of Canada, except Québec.

**WILDPACK BEVERAGE INC.**

By: “*Mitch Barnard*”  
Chief Executive Officer

By: “*Ryan Mason*”  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

By: “*Jeffrey Mason*”  
Director

By: “*Paul Mann*”  
Director

**CERTIFICATE OF THE UNDERWRITERS**

Dated: November 5, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of all the provinces of Canada, except Québec.

**STIFEL NICOLAUS CANADA INC.**

By: "Peter Sweeney"  
Director, Investment Banking

**ROTH CANADA, ULC**

By: "Brady Fletcher"  
President & Head of Investment Banking

**PI FINANCIAL CORP.**

By: "Brad Ralph"  
Managing Director

**LEEDE JONES GABLE INC.**

By: "Jim Dale"  
Chief Executive Officer