

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

*This prospectus supplement, together with the accompanying short form base shelf prospectus dated April 12, 2021 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into this prospectus supplement and in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, these securities may not be offered or sold to, or for the account or benefit of, persons in the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This prospectus supplement, together with the short form base shelf prospectus, does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States.*

**Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus from documents filed with the securities commission or similar authority in British Columbia.** Copies of the documents incorporated herein by reference may be obtained on request without charge from Neptune Digital Assets Corp. at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7 (Telephone 1-800-545-0941) Attn: Chief Executive Officer, and are also available electronically at [www.sedar.com](http://www.sedar.com).

**PROSPECTUS SUPPLEMENT  
To the Short Form Base Shelf Prospectus dated April 12, 2021**

New Issue

April 15, 2021



**NEPTUNE DIGITAL ASSETS CORP.**

**\$40,000,502.70 (29,630,002 Units)**

---

**Price: 1.35 per Unit**

---

This prospectus supplement (the "**Prospectus Supplement**") and the accompanying short form base shelf prospectus dated April 12, 2021 (the "**Prospectus**") is hereby qualifying for distribution an aggregate of 29,630,002 units (the "**Units**") of Neptune Digital Assets Corp. (the "**Company**", "**we**" or "**our**") at a price of \$1.35 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$40,000,502.70 (the "**Offering**"). Each Unit consists of one common share of the Company (an "**Offered Share**") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company (a "**Warrant Share**") at an exercise price of \$1.75 per Warrant Share, subject to adjustment, at any time until 5:00 p.m. (Eastern Time) on the date that is 36 months after the Closing Date (as defined below).

The Offering is made pursuant to a securities purchase agreement (the "**Purchase Agreement**") dated April 13, 2021 between the Company and the purchasers participating in the Offering. The Offering Price was determined by negotiation between the Company, the Placement Agent (as hereinafter defined) and the purchasers participating in the Offering, with reference to the prevailing market price of the common shares of the Company ("**Common Shares**") on the TSX Venture Exchange (the "**TSXV**"). H.C. Wainwright & Co., LLC (the "**Placement Agent**") is acting as exclusive placement agent in respect of the Offering pursuant to the terms and conditions of an engagement agreement dated March 26, 2021 between the Company and the Placement Agent (the "**Engagement Agreement**"), under which the Placement Agent agreed to use its reasonable best efforts to arrange for the sale of the Units distributed under the Offering. The Placement Agent is not purchasing or selling any of the Units offered pursuant to this Prospectus Supplement. This Prospectus Supplement qualifies the distribution of the Offered Shares and Warrants to eligible

investors outside of Canada, including the Warrant Shares issuable upon exercise of the Warrants. The Offering is being made only in the United States and certain other foreign jurisdictions and the Units will be offered directly to the purchasers participating in the Offering. No Units will be offered or sold to Canadian purchasers, and there will be no solicitations or advertising activities undertaken in Canada in connection with the Offering. In the United States, the Common Shares, Warrants and the Warrant Shares issuable upon the exercise of the Warrants will be offered on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and certain other jurisdictions in accordance with applicable securities laws. See "*Plan of Distribution*".

The Units will immediately separate into Offered Shares and Warrants, as applicable, immediately upon distribution and the Offered Shares and the Warrants will be issued separately. See "*Description of Offered Securities*".

	<u>Price to the Public</u>	<u>Placement Agent's Commission<sup>(1)</sup></u>	<u>Net Proceeds to the Company<sup>(2)</sup></u>
<b>Per Unit<sup>(3)</sup></b>	\$1.35	\$0.0945	\$1.2555
<b>Totals</b>	\$40,000,502.70	\$2,800,035.19	\$37,200,467.51

**Notes:**

- (1) Pursuant to the Engagement Agreement, the Company has agreed to pay the Placement Agent a cash commission (the "**Placement Agent's Commission**") equal to 7.0% of the aggregate gross proceeds of the Offering. In addition to the Placement Agent's Commission, the Company agreed to issue to the Placement Agent, or as the Placement Agent may direct, that aggregate number of compensation warrants ("**Agent Warrants**") as is equal to 7.5% of the number of Units issued pursuant to the Offering. Each Agent Warrant shall entitle the holder to acquire one common share of the Company (a "**Agent Warrant Share**") at an exercise price per Agent Warrant Share equal to \$1.6875, subject to adjustment, at any time until 5:00 p.m. (Eastern Time) on the date that is 36 months after the Closing Date (as defined below). This Prospectus Supplement also qualifies the distribution of the Agent Warrants, including the Agent Warrant Shares issuable upon exercise of the Agent Warrants. See "*Plan of Distribution*".
- (2) After deducting the Placement Agents' Commission, but before deducting expenses of the Offering (including listing fees) estimated to be approximately \$300,000, which will be paid from the proceeds of the Offering.
- (3) From the price per Unit, the Company will, for its purposes, allocate \$1.34 to each Offered Share and \$0.01 to each half Warrant comprising the Units.

The outstanding common shares in the capital of the Company (the "**Common Shares**") are listed and posted for trading on the TSXV under the symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW". On April 13, 2021, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$1.88. On April 14, 2021, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the TSXV was \$1.10.

The TSXV has conditionally approved the listing of the Offered Shares, the Warrant Shares and the Agent Warrant Shares on the TSXV. Listing on the TSXV is subject to the Company fulfilling all of the listing requirements of the TSXV. See "*Plan of Distribution*". There is no established public trading market for the Warrants and we do not expect a market to develop, and purchasers may not be able to resell the Warrants purchased under this Prospectus Supplement and the Prospectus. In addition, we do not intend to apply for listing of the Warrants on any securities exchange or other nationally recognized trading system. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "*Risk Factors*".

**An investment in the securities offered hereunder is speculative and involves a high degree of risk. The risk factors identified in this Prospectus Supplement, the Prospectus and the documents incorporated by reference should be carefully reviewed and evaluated. See "*Risk Factors*" in this Prospectus Supplement, the Prospectus and the documents incorporated by reference therein and herein, as well as the information under the heading "*Forward-Looking Statements*" in this Prospectus Supplement.**

The following table sets out the number of compensation securities that may be issued by the Company to the Placement Agent in connection with the Offering:

<u>Placement Agent's Position</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
2,222,250 Agent Warrants	Up to 36 months following the Closing Date	1.6875 per Agent Warrant Share

The Offered Shares will be delivered in book-entry form only through the facilities of CDS Clearing and Depository Services Inc. ("**CDS**") at the closing of the Offering, which is anticipated to be on or about April 16, 2021 or such other date as maybe agreed upon between the Company and the purchasers (the "**Closing Date**"). Certificates representing

the Warrants will be in definitive form and available for delivery to purchasers at the closing of the Offering. The Company expects that delivery of the Offered Shares and the Warrants will be made against payment therefor on or about the Closing Date. See "*Plan of Distribution*".

You should rely only on the information contained or incorporated by reference in this Prospectus Supplement, the Prospectus, and the documents incorporated by reference herein and therein. The Company and the Agent have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein. The Company is 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. The Company does not undertake to update information contained or incorporated by reference in this Prospectus Supplement, except as required by applicable securities laws.

**Owning our securities may subject you to tax consequences both in Canada and the United States. This Prospectus Supplement and the Prospectus may not describe these tax consequences fully. You should read the tax discussion in this Prospectus Supplement and consult your own tax advisor with respect to your own particular circumstances.**

**Your ability to enforce civil liabilities under the United States federal securities laws may be affected adversely because we are incorporated in Canada, our officers and directors and the experts named in this Prospectus Supplement and the Prospectus are Canadian residents, and a substantial portion of our assets and the assets of those officers, directors and experts are located outside of the United States.**

**NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC"), NOR ANY STATE SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED THE SECURITIES OFFERED HEREBY OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

The Company's registered office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7.

## TABLE OF CONTENTS

### Prospectus Supplement

IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT.....	S-1
FORWARD-LOOKING STATEMENTS .....	S-1
DOCUMENTS INCORPORATED BY REFERENCE .....	S-5
DESCRIPTION OF THE BUSINESS OF THE COMPANY .....	S-6
PRIOR SALES .....	S-6
TRADING PRICE AND VOLUME .....	S-7
DESCRIPTION OF OFFERED SECURITIES .....	S-7
CONSOLIDATED CAPITALIZATION.....	S-8
USE OF PROCEEDS.....	S-9
PLAN OF DISTRIBUTION .....	S-10
RISK FACTORS.....	S-11
CERTAIN INCOME TAX CONSIDERATIONS .....	S-12
TRANSFER AGENT AND REGISTRAR .....	S-13
AUDITORS .....	S-13
PURCHASERS' STATUTORY RIGHTS .....	S-13
CERTIFICATE OF THE COMPANY .....	C-1

## TABLE OF CONTENTS

### Prospectus

<p>ABOUT THIS PROSPECTUS ..... 1</p> <p>CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS..... 1</p> <p>NON-IFRS MEASURES.....4</p> <p>MARKET AND INDUSTRY DATA.....4</p> <p>DOCUMENTS INCORPORATED BY REFERENCE ..... 5</p> <p>ABOUT THE COMPANY ..... 6</p> <p style="padding-left: 20px;">Recent Developments ..... 7</p> <p style="padding-left: 40px;">COVID-19 ..... 7</p> <p style="padding-left: 40px;">Private Placement..... 7</p> <p style="padding-left: 40px;">Warrant Exercise ..... 7</p> <p style="padding-left: 40px;">Discussion of Certain Items Required in Interim Management Discussion &amp; Analysis 8</p> <p>RISK FACTORS..... 9</p> <p style="padding-left: 20px;">Risks Related to the Offering of Securities ..... 9</p> <p style="padding-left: 40px;">Market price of Common Shares ..... 9</p> <p style="padding-left: 40px;">Absence of a public market for some of the Securities ..... 9</p> <p style="padding-left: 40px;">Future sales of issuance of debt or equity Securities..... 10</p> <p style="padding-left: 40px;">Discretion over use of proceeds ..... 10</p> <p style="padding-left: 40px;">Liquidity ..... 10</p> <p style="padding-left: 40px;">Unsecured Debt Securities ..... 10</p> <p style="padding-left: 40px;">Effect of changes in interest rates on Debt Securities..... 10</p> <p style="padding-left: 40px;">Effect of fluctuations in foreign currency markets on Debt Securities..... 10</p> <p style="padding-left: 40px;">Trading price of Common Shares and volatility..... 11</p> <p style="padding-left: 40px;">History of negative cash flows ..... 11</p> <p>USE OF PROCEEDS..... 11</p> <p>CONSOLIDATED CAPITALIZATION..... 11</p> <p>PRIOR SALES ..... 12</p>	<p>TRADING PRICE AND VOLUME ..... 12</p> <p>EARNINGS COVERAGE..... 12</p> <p>DESCRIPTION OF SECURITIES ..... 12</p> <p style="padding-left: 20px;">Common Shares ..... 12</p> <p style="padding-left: 20px;">Description of Debt Securities ..... 12</p> <p style="padding-left: 20px;">Ranking and Other Indebtedness..... 15</p> <p style="padding-left: 20px;">Registration of Debt Securities..... 15</p> <p style="padding-left: 40px;">Debt Securities in Book Entry Form..... 15</p> <p style="padding-left: 40px;">Debt Securities in Certificated Form ..... 16</p> <p style="padding-left: 20px;">Description of Warrants..... 17</p> <p style="padding-left: 40px;">Equity Warrants ..... 18</p> <p style="padding-left: 40px;">Debt Warrants ..... 18</p> <p style="padding-left: 20px;">Description of Units ..... 19</p> <p style="padding-left: 20px;">Description of Subscription Receipts..... 19</p> <p style="padding-left: 40px;">Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions 21</p> <p style="padding-left: 40px;">Escrow..... 21</p> <p style="padding-left: 40px;">Modifications..... 21</p> <p>DIVIDENDS ..... 21</p> <p>PLAN OF DISTRIBUTION ..... 21</p> <p style="padding-left: 20px;">New Issue ..... 21</p> <p style="padding-left: 20px;">Secondary Offering ..... 23</p> <p>CERTAIN INCOME TAX CONSIDERATIONS..... 24</p> <p>EXPERTS ..... 24</p> <p>AUDITORS, TRANSFER AGENT AND REGISTRAR ..... 24</p> <p>PROMOTERS..... 24</p> <p>STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION..... 24</p> <p>CERTIFICATE OF THE COMPANY ..... C-1</p>
---	--

## IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and certain other matters and also adds to and updates information contained in the Prospectus, and the documents incorporated by reference herein and therein. The second part, the Prospectus, gives more general information about securities we may offer from time to time, some of which may not apply to the Offering.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. To the extent that there is a conflict between the information contained in this Prospectus Supplement and the Prospectus, you should rely on the information in this Prospectus Supplement. Neither we nor the Placement Agent have authorized anyone to provide you with different or additional information. Neither we nor the Placement Agent are offering the Units in Canada or in any other jurisdiction where the offer is not permitted by law. If anyone provides you with any different or inconsistent information, you should not rely on it. You should not assume that the information contained in or incorporated by reference in this Prospectus Supplement or the Prospectus is accurate as of any date other than the date on the front of this Prospectus Supplement with respect to information contained herein and, with respect to information incorporated by reference, the date of such document. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

When used in this Prospectus Supplement, the terms "the Company" or "we" refer to Neptune Digital Assets Corp., unless otherwise specified or the context otherwise requires. The term "management" in this Prospectus Supplement means those persons acting, from time to time, in the capacities of Chief Executive Officer and Chief Financial Officer of the Company. Any statements in this Prospectus Supplement made by or on behalf of management are made in such persons' capacities as officers of the Company and not in their personal capacities.

Market data and certain industry forecasts used in this Prospectus Supplement and the documents incorporated by reference in the Prospectus and this Prospectus Supplement were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. The Company has not independently verified this information, and does not make any representation or warranty as to the accuracy of this information.

Unless otherwise indicated, all references to "\$" or "C\$" in this Prospectus Supplement refer to Canadian dollars and all references to "US\$" in this Prospectus Supplement refer to United States dollars. On April 12, 2021, the closing exchange rate for Canadian dollars, as quoted by the Bank of Canada was US\$1.00 = C\$1.2553, or C\$1.00 = US\$0.7966.

## FORWARD-LOOKING STATEMENTS

Certain statements and other information contained or incorporated by reference in this Prospectus Supplement constitute forward-looking information under Canadian securities legislation (collectively "**forward-looking statements**") including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "predict", "project", "potential", "continue", "ongoing" or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Such forward-looking statements include, but are not limited to:

- the Company's intended use of the net proceeds from the Offering;
- the Company's business objectives over the next twelve months;
- the ability of blockchain technology to disrupt multiple industries;
- the anticipated timing for the Company receiving ASIC Bitcoin mining machines;
- the Company's agreement with third-parties with respect to developing a 5 megawatt ("**MW**") renewable energy dominated Bitcoin mining facility in Alberta;
- the increasing demand for cryptocurrencies and professional-grade, scalable cryptocurrency infrastructure;
- the increasing demand for regulation of the cryptocurrency industry;
- the Company's ability to maintain the listing of the Common Shares on the TSXV;
- the Company's strategy;
- potential sources of funding;
- the Company's expected expenditures and accumulated deficit level;

- the future price of cryptocurrencies, such as Bitcoin, and the other types of digital assets which the Company and its subsidiaries mine, hold and trade;
- the Company's intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in the businesses of the Company and its subsidiaries;
- the liquidity and market price of the Common Shares;
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the absence of a market through which the Securities, other than Common Shares, may be sold;
- the Company's ability to hire and retain skilled staff;
- changes to governmental laws and regulations; and
- effects of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Prospectus Supplement should not be unduly relied upon. These statements speak only as of the date of this Prospectus Supplement. The forward-looking statements in this document are based on what the Company currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Company (such documents are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com)). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the business and economic conditions affecting the Company's operations in their current state, including, general levels of economic activity, regulations, taxes and interest rates;
- the timing and amount of Dash Masternode and ATOM delegated revenue earned over time;
- conditions in the financial and cryptocurrency markets generally, and with respect to the prospects for the supply and demand of Bitcoin, Ethereum, ATOM and Dash cryptocurrencies specifically;
- the hashing power and general integrity of the Bitcoin, Dash and ATOM blockchains with respect to vulnerability from a malicious third party, or a 51% attack;
- tax developments directed at cryptocurrency assets that may be enacted into legislation over time;
- governance decisions made by the Dash Masternode operators, ATOM validators and other proof-of-stake community that affect the rewards payout allocation;
- the Company's ability to profitably generate cryptocurrencies;
- the Company's ability to achieve profitability;
- the Company's ability to successfully acquire and maintain required regulatory licences and qualifications;
- historical prices of cryptocurrencies;
- the emerging cryptocurrency and blockchain markets and sectors;
- the Company's ability to maintain good business relationships;
- the Company's ability to manage and integrate acquisitions;
- the Company's ability to identify, hire and retain key personnel;
- the Company's ability to raise sufficient debt or equity financing to support the Company's continued growth;
- the technology, proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the cryptocurrencies and digital asset sector is able to be relied upon to conduct the Company's business;
- the Company does not suffer a material impact or disruption from a cybersecurity incident, cyber- attack or theft of digital assets;
- continued maintenance and development of its cryptocurrency mining facility;
- continued growth in usage of the blockchain for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- the absence of adverse regulations or laws;

- the absence of material changes in the legislative, regulatory or operating framework for the Company's existing and anticipated business;
- projections of future financial and operational performance;
- statements with respect to future events or future performance;
- anticipated operating costs and revenue;
- estimates of capital expenditures;
- future demand for and prices of digital currencies;
- the Company's ability to maintain the listing of its Common Shares on the TSXV;
- the plan of distribution of the Units;
- the Company's intended use of proceeds of the Offering; and
- the Company's intention with respect to not paying any cash dividends on Common Shares in the foreseeable future.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the factors that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- risks and uncertainties associated with the digital currency and blockchain industry;
- delay in, or failure to, receive ASIC Bitcoin mining machines as anticipated;
- delay in, or failure to, develop a 5 MW renewable energy dominated Bitcoin mining facility in Alberta as anticipated;
- occurrence of a Bitcoin halving event;
- reduction in the number of Bitcoin miners and the processing power of the Bitcoin Network;
- the mining operations at the Christina Lake Facility being the subject of equipment malfunctions or power outages;
- the potential that the blockchain could be manipulated a malicious actor increased competition that adversely affects business;
- the Company's cryptocurrency inventory may be exposed to cybersecurity threats and hacks;
- regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations;
- the value of cryptocurrencies may be subject to volatility and momentum pricing risk;
- cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure;
- possibility of less frequent or a cessation of monetization of cryptocurrencies;
- limited history of de-centralized financial system;
- cryptocurrency network difficulty and impact of increased global computing power;
- banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment;
- the impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain;
- economic dependence on regulated terms of service and electricity rate risks;
- political and regulatory risks;
- permits and licences;
- risks related interruption to operations due to floods, fires or other severe and adverse weather events;
- changes in local and global climatic conditions;
- server failures;
- global financial conditions;
- tax consequences;
- environmental regulations;
- environmental liability;
- the further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate;
- acceptance and/or widespread use of cryptocurrency is uncertain;
- the Company may be required to sell its inventory of cryptocurrency to pay suppliers or other third parties;
- facility developments;
- the Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies;
- the Company's coins may be subject to loss, theft or restriction on access;
- incorrect or fraudulent coin transactions may be irreversible;

- if the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations;
- the price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- failure to adopt to technological change, new products and standards, which materially impact the cryptocurrency industry;
- risks related to insurance;
- limited operating history;
- management of growth and working capital;
- continued growth in key markets;
- additional funding requirements and dilution;
- loss of key employees and contractors;
- the ability to attract, retain and motivate qualified personnel;
- pandemics and COVID-19;
- conflicts of interest;
- liquid market or securities;
- dividends;
- interest rate risk;
- currency exchange risk;
- discretion over use of proceeds;
- absence of a public market for certain of the securities;
- unsecured debt securities;
- effect of changes in interest rates on debt securities;
- effect of fluctuations in foreign currency markets on debt securities;
- trading price of Common Shares and volatility;
- the Company's ability to manage operating expenses;
- the Company's ability to remain competitive as other better financed competitors develop and release competitive products;
- access to equipment and power;
- the Company's relationships with its customers, distributors and business partners;
- the Company's ability to successfully define, design and release new products in a timely manner that meet customers' needs;
- failure to develop new and innovative products;
- the ability to successfully maintain and enforce our intellectual property rights and defend third party claims of infringement of their intellectual property rights;
- the impact of intellectual property litigation that could materially and adversely affect the business;
- the risk that the Company's software products and/or services may contain undetected errors or "bugs", vulnerabilities or defects;
- damage or failure of our information technology;
- risks associated with potential violations of applicable privacy laws;
- risks resulting from interruptions or delays from third party processors and service providers upon which the Company relies;
- the Company's ability to obtain additional financing;
- failure of counterparties to perform their contractual obligations;
- risks associated with litigation or dispute resolution; and
- volatility of share price.

Additional information on these and other factors is provided under the heading "*Risk Factors*" in this Prospectus Supplement and in the documents incorporated by reference herein including in the Prospectus under the heading "*Risk Factors*", in the AIF (as defined herein) under the heading "*Risk Factors*" and in the Annual MD&A (as defined herein) under the heading "*Risks Factors*", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this Prospectus Supplement.

Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Prospectus Supplement and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future

performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the Offering. Information has been incorporated by reference in this Prospectus Supplement from documents filed with or delivered to the securities commission or similar authority in the province of British Columbia. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from the Company at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7 (Telephone 1-800-545-0941) Attn: Chief Executive Officer or by accessing the disclosure documents available through the Internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at [www.sedar.com](http://www.sedar.com).

As at the date hereof, the following documents of the Company, filed with or delivered to the securities commission or similar authority in the provinces of British Columbia are specifically incorporated by reference into and form an integral part of this Prospectus Supplement and the Prospectus:

- the Company's annual information form for the year ended August 31, 2020, dated as at March 26, 2021 and filed on March 26, 2021 (the "**AIF**");
- the Company's unaudited condensed interim consolidated financial statements for the three and six months ended February 28, 2021, filed on March 19, 2021;
- the Company's management's discussion and analysis for the three and six months ended February 28, 2021, filed on March 19, 2021;
- the management information circular dated February 5, 2021 with respect to the annual general meeting of the Shareholders held on March 25, 2021, filed on February 22, 2021;
- the Company's audited annual consolidated financial statements for the years ended August 31, 2020 and 2019 and the notes thereto and the independent auditor's report thereon, filed on December 22, 2020;
- the Company's annual management's discussion and analysis for the year ended August 31, 2020, dated as at December 22, 2020 and filed on December 22, 2020 (the "**Annual MD&A**"); and
- the material change report dated (and filed on) March 30, 2020 relating to the announcement of the issuance of shares for settlement of debt on March 23, 2020.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference in this Prospectus Supplement, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus Supplement and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any such 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 document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes 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 considered in its unmodified or superseded form to constitute part of this Prospectus Supplement; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus Supplement.

## DESCRIPTION OF THE BUSINESS OF THE COMPANY

### General

*The following description of the Company is derived from selected information about the Company contained in the documents incorporated by reference and does not contain all of the information about the Company and its business that should be considered before investing in the securities. This Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein should be reviewed and considered by prospective purchasers in connection with their investment in the securities.*

On January 17, 2018, Neptune Dash Nodes Corp. ("**Former Neptune**"), a private company that exclusively built, operated, and invested in Dash Masternodes and related technologies, completed an amalgamation (the "**Amalgamation**") with Crossroad Ventures Inc. ("**Crossroad**"), a reporting issuer in British Columbia and Alberta, to acquire a 100% interest in Crossroad which would constitute a reverse takeover of Crossroad by the shareholders of Former Neptune. The Amalgamation resulted in Crossroad and Former Neptune amalgamating under the *Business Corporations Act* (British Columbia) as one company (i.e. the Company) under the name "Neptune Dash Technologies Corp." On December 17, 2020, the Company changed its name from "Neptune Dash Technologies Corp." to "Neptune Digital Assets Corp."

The Company's registered office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7. As of the date of this Prospectus Supplement and in response to COVID-19, the Company has indefinitely closed its corporate offices in Vancouver and all employees are working remotely.

The Common Shares are listed for trading on the TSXV under the trading symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW".

The Company has one material subsidiary, Neptune Stake Technology Corp., a wholly-owned subsidiary of the Company that was incorporated pursuant to the laws of British Columbia.

### Summary Description of the Business

The Company is currently engaged in growing a revenue-generating diversified portfolio of investments and cryptocurrency operations across the digital asset ecosystem including Bitcoin mining, tokens, proof-of-stake cryptocurrencies, decentralized finance (DeFi), and associated blockchain technologies.

Further information regarding the business of the Company or its operations can be found in the AIF and the other materials incorporated by reference herein. See "*Documents Incorporated by Reference*".

### Recent Developments

On April 12, 2021, the Company announced that it has incorporated a joint venture company, Pure Digital Power Corp. ("**Pure**"), together with LINK GLOBAL TECHNOLOGIES INC. ("**Link**"). Through Pure, the Company and Link have agreed to develop an initial 5 MW renewable energy dominated Bitcoin mining facility in Alberta, with potential for expansion and scaling. All Bitcoin mined under Pure's operation are expected to be held in the treasury for reinvestment and decentralized finance (defi) based earnings, similar to the Company's current approach to treasury and asset management.

### PRIOR SALES

The following table summarizes the Common Shares or securities convertible into, or exercisable to acquire, Common Shares of the Company that have been issued by the Company during the 12 months prior to the date of this Prospectus Supplement:

<u>Date of Issuance</u>	<u>Type of Securities</u>	<u># of Securities</u>	<u>Issue Price per Security</u>	<u>Expiry Date (if applicable)</u>
May 22, 2020	Common Shares	1,250,000	\$0.08	N/A
May 22, 2020	Warrants	1,250,000	\$0.13	May 22, 2023
December 3, 2020	Common Share	1,875,000	\$0.08	N/A
December 3, 2020	Common Share	1,428,571	\$0.105	N/A
December 3, 2020	Warrants	1,875,000	\$0.13	December 3, 2023
December 3, 2020	Warrants	1,428,571	\$0.175	December 3, 2023

<u>Date of Issuance</u>	<u>Type of Securities</u>	<u># of Securities</u>	<u>Issue Price per Security</u>	<u>Expiry Date (if applicable)</u>
January 7, 2021	Restricted Share Units	307,198	\$0.32	N/A
January 21, 2021	Stock Options	6,000,000	\$0.20	January 21, 2031
February 16, 2021	Warrants	1,500,000	\$0.294	February 16, 2024
February 16, 2021	Common Shares	1,500,000	\$0.175	N/A
March 2, 2021	Common Shares	923,076	\$0.325	N/A
March 2, 2021	Warrants	461,538	\$0.40	March 2, 2024
March 30, 2021	Common Shares	625,000	\$0.80	N/A
March 30, 2021	Warrants	312,500	\$1.00	March 30, 2024
April 4, 2021	Common Shares	100,000	\$0.13	N/A
April 5, 2021	Common Shares	1,651,785	\$0.175	N/A

### TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSXV under the trading symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW". On April 13, 2021, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$1.88. On April 14, 2021, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the TSXV was \$1.10. The following table sets forth the high and low market prices and the trading volumes of the Common Shares on the TSXV for each month during the periods indicated:

<u>Date</u>	<u>Price Range (C\$)</u>		<u>Volume (no. of Common Shares)</u>
	<u>High</u>	<u>Low</u>	
April 1–14, 2021	2.215	0.64	55,870,613
March 2021	1.28	0.25	54,028,970
February 2021	0.48	0.195	41,221,077
January 2021	0.37	0.18	43,166,921
December 2020	0.455	0.10	55,486,416
November 2020	0.17	0.065	14,307,815
October 2020	0.09	0.065	1,645,453
September 2020	0.08	0.065	1,059,730
August 2020	0.115	0.075	1,291,202
July 2020	0.115	0.075	2,433,577
June 2020	0.10	0.07	4,147,543
May 2020	0.13	0.09	2,838,296
April 2020	0.12	0.085	1,967,113

### DESCRIPTION OF OFFERED SECURITIES

The Offering consists of 29,630,002 Units, each Unit consisting of one Offered Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one Warrant Share at a price of \$1.75, subject to adjustment, at any time following the Closing Date until 5:00 p.m. (Eastern Time) on the date that is 36 months after the Closing Date. The Units will immediately separate into Offered Shares and Warrants, as applicable, immediately upon distribution and the Offered Shares and the Warrants will be issued separately.

#### Offered Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date hereof, there are 95,279,809 Common Shares issued and outstanding. After giving effect to the Offering, there will be an aggregate of 124,909,811 Common Shares issued and outstanding (without giving effect to the exercise of the Warrants or Agent Warrants). See "*Consolidated Capitalization*".

Each Common Share entitles the holder to receive notice of and attend all meetings of the shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the board of directors of the Company, in its discretion. In the event of the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares. Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, the holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares. The rights, privileges and restrictions on the Common Shares are contained in the articles of the Company, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Offered Warrants

The Warrants issued under the Offering will be issued in certificated form. The following description is subject to the detailed provisions of the form of certificate for the Warrants (the "**Warrant Certificate**"). Reference should be made to the Warrant Certificate for the full text of attributes of the Warrants.

Each whole Warrant will entitle the holder to acquire, subject to adjustment as summarized below, one Warrant Share at an exercise price of \$1.75 per share on or prior to 5:00 p.m. (Eastern time) on the date that is 36 months after the Closing Date, after which time the Warrant will be void and of no value. The Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to the Company a duly executed notice of exercise, thereby canceling all or a portion of such holder's Warrants.

The Warrant Certificate will provide that the number of underlying shares and exercise price of the Warrants will be subject to adjustment in the event of certain share dividends or distributions or of a subdivision or consolidation of the Common Shares or similar events.

The Warrant Certificate will also provide that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, at least five (5) business days prior to the record date or effective date, as the case may be, of such events.

In connection with a fundamental transaction as defined in the Warrant Certificate ("**Fundamental Transaction**"), holders of the Warrants shall receive, upon exercise, the same consideration as holders of Common Shares in respect of the Common Shares that would be issuable upon exercise of the Warrants immediately prior to such Fundamental Transaction, in addition to any additional consideration receivable by holders of Common Shares in connection with such Fundamental Transaction.

There will be no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. The Warrant Certificate will also contain restrictions on the number of Common Shares that may be acquired by a holder of Warrants upon any exercise of the Warrants that would result in the holder and its affiliates holding in excess of 4.99% (or, at the election of the holder, 9.99%) of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of such Warrants, which beneficial ownership limitation may be increased or decreased up to 9.99% upon notice to us, provided that any increase in the beneficial ownership limitation shall not be effective until 61 days following notice to us. No fractional Warrant Shares will be issuable upon the exercise of any Warrants. Holders of Warrants will not have any voting rights, dividends or any other rights which a holder of Common Shares would have, except as set forth in the Warrant Certificate.

## CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Company's consolidated capitalization as at February 28, 2021, the date of our most recently filed interim unaudited financial statements.

Description of Capital	Outstanding as at February 28, 2021	Outstanding as at February 28, 2021 after giving effect to the Offering
Common Shares	91,854,948 Common Shares	124,909,811 Common Shares <sup>(1)</sup>
Warrants	Nil	14,815,001 Warrants
Agent Warrants	Nil	2,222,250 Agent Warrants
Previous Warrants	5,428,571	3,676,786 <sup>(2)</sup>
Additional Warrants	Nil	774,038 <sup>(3)</sup>
Stock Options	6,000,000	5,875,000 <sup>(4)</sup>
Fully Diluted Common Shares	103,283,519	152,272,886

**Note:**

- (1) As of the date hereof there are 95,279,809 Common Shares issued and outstanding, which includes: 1,751,785 Common Shares issued pursuant to the exercise of Common Share purchase warrants of the Company ("**Previous Warrants**") that were outstanding as at February 28, 2021; 125,000 Common Shares issued pursuant to the exercise of stock options of the Company ("**Stock Options**") that were outstanding as at February 28, 2021; 923,076 Common Shares issued pursuant to a private placement of units on March 2, 2021; and 625,000 Common Shares issued pursuant to a private placement of units on March 30, 2021. There are 29,630,002 Common Shares issued as Offered Shares. See "**Prior Sales**".
- (2) 1,651,785 Previous Warrants that were outstanding as at February 28, 2021 were exercised.
- (3) On March 2, 2021, the Company issued 461,538 Common Share purchase warrants and on March 30, 2021, the Company issued 312,500 Common Share purchase warrants (collectively, the "**Additional Warrants**"). See "**Prior Sales**".
- (4) 125,000 Stock Options that were outstanding as at February 28, 2021 were exercised.

## USE OF PROCEEDS

The net proceeds of the Offering, after deducting the Placement Agent's Commission of \$2,800,035.19 and the estimated expenses of the Offering in the amount of \$300,000, are estimated to be approximately \$37,084,518. The net proceeds of the Offering are currently intended to be used by the Company as set out in the table below:

<b>Principal Purposes</b>	<b>Estimated Amount to be Expended (\$)</b>
Developing 5MW clean tech Bitcoin mining facility <sup>(1)</sup>	7,500,000
Purchase of ASIC Bitcoin mining machines <sup>(2)</sup>	15,000,000
Proof-of-Stake investments <sup>(3)</sup>	10,000,000
Working Capital and General Corporate Purposes <sup>(4)</sup>	4,584,518
<b>TOTAL:</b>	<b>37,084,518</b>

**Notes:**

- (1) Developing 5MW clean tech Bitcoin mining facility. The Company intends to use approximately \$7,500,000 of the net proceeds of the Offering to fund the development of a 5MW clean tech Bitcoin mining facility.
- (2) Purchase of Bitcoin mining servers. The Company intends to complete one or more purchases of Bitcoin mining servers over the course of 2021 based on availability and pricing of the Bitcoin mining servers and the timing for delivery. The total cost is anticipated to be approximately \$15,000,000. The Company expects COVID-19 to affect the availability and timing of mining equipment.
- (3) Increasing Proof-of-Stake Investments. The Company expects to invest approximately \$10,000,000 in proof-of-stake mining, such as blockchain infrastructure and their associated token ecosystems. These purchases will be based on the overall cryptocurrency landscape and research and may be purchased periodically in various amounts.
- (4) Working Capital / General Corporate. The Company intends to allocate the remaining net proceeds from the Offering for working capital, general corporate purposes, and unallocated working capital. The total cost is anticipated to be approximately \$4,584,518.

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies and any deficiencies). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, a reallocation may be deemed prudent or necessary. Pending actual expenditures, the Company may invest the funds in short-term, investment grade, interest-bearing securities, in government securities or in bank accounts at the discretion of management. The Company cannot predict whether the proceeds invested will yield a favourable return. Until applied, the net proceeds of the Offering will be held as cash balances in the Company's savings bank account. Unallocated funds from the Offering will be added to the working capital of the Company, and will be expended at the discretion of management. See "Risk Factors".

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative operating cash flow in future periods, it will be necessary for the Company to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable or favourable to the Company.

### Significant Events, Milestones or Objectives

The primary business objectives for the Company over the next 12 months are as follows:

- Further to Note 1 to the table above, the Company intends to develop a 5MW clean tech Bitcoin mining facility in Alberta, with potential for expansion and scaling. To this end, the Company and LINK GLOBAL TECHNOLOGIES INC. ("**LINK**") have incorporated a joint venture company, Pure Digital Power Corp. ("**Pure**"), and in connection therewith, the Company, Link and Pure have entered into a shareholders' agreement governing the management of Pure. Pure is a power and Bitcoin mining infrastructure company with an emphasis on clean sustainable energy. All Bitcoin mined under Pure's operation are expected to be held in the treasury for reinvestment and decentralized finance (defi) based earnings, similar to Neptune's current approach to treasury and asset management. The significant events, milestones or business objectives regarding the development of the 5MW clean tech Bitcoin mining facility, and the anticipated costs associated therewith are: (i) negotiate property leases (\$500,000); (ii) purchaser mining hardware (\$2,000,000); purchase containers for mining equipment and (\$1,500,000); negotiate power purchase agreements with renewable energy providers (\$500,000); and build out facilities and power infrastructure (\$3,000,000).
- Further to Note 2 to the table above, the Company intends to purchase an initial 1,500 ASIC Bitcoin mining machines, and additionally thereafter as capital allows. The purchase of such initial Bitcoin mining machines is expected to occur over the course of 2021 and to be completed by December 31, 2021.

- Further to Note 3 to the table above, as opportunities arise and capital allows, the Company intends to invest approximately \$10,000,000 in proof-of-stake mining, such as blockchain infrastructure and their associated token ecosystems.

There can be no assurances the above objectives will be completed prior to the stated deadline or at all. See "*Risk Factors*".

## PLAN OF DISTRIBUTION

The Offering is made pursuant to the Purchase Agreement dated April 13, 2021 between the Company and the purchasers participating in the Offering. The Offering Price was determined by negotiation between the Company, the Placement Agent and the purchasers participating in the Offering, with reference to the prevailing market price of the Common Shares on the TSXV. The Offering is being made only in the United States and certain other foreign jurisdictions and the Units will be offered in the United States directly to the purchasers participating in the Offering. No Units will be offered or sold to Canadian purchasers, and there will be no solicitations or advertising activities undertaken in Canada in connection with the Offering. This Prospectus Supplement qualifies the distribution of the Units to eligible investors outside of Canada, including the Warrant Shares issuable upon exercise of the Warrants. In the United States, the Common Shares, Warrants and the Warrant Shares issuable upon the exercise of the Warrants will be offered on a private placement basis pursuant to exemptions from the registration requirements of the U.S. Securities Act, and certain other jurisdictions in accordance with applicable securities laws.

Pursuant to the terms of the Purchase Agreement, the issuance of the Units and the completion of the Offering are subject to a number of customary closing conditions, including but not limited to, listing of the Offered Shares and the Warrant Shares on the TSXV, and will be subject to the Company fulfilling all the requirements of the TSXV. The Purchase Agreement may be terminated by any purchaser participating in the Offering, as to such purchaser's obligations thereunder only and without any effect whatsoever on the obligations between the Company and the other purchasers, by written notice to the other parties, if the closing of the Offering has not been consummated on or before the fifth (5th) trading day following April 13, 2021. The Company has agreed to indemnify the purchasers participating in the Offering, and their respective affiliates and directors, officers, shareholders, members, partners, employees and agents against certain liabilities and expenses under the terms of the Purchase Agreement.

The Units will immediately separate into Offered Shares and Warrants, as applicable, immediately upon distribution and the Offered Shares and the Warrants will be issued separately. The Offered Shares will be delivered in book-entry form only through the facilities of CDS at the closing of the Offering, which is anticipated to be on or about April 16, 2021 or such other date as may be agreed upon between the Company and the purchasers. Certificates representing the Warrants will be in definitive form and available for delivery to purchasers at closing of the Offering. See "*Description of Securities Being Distributed under the Offering*".

The Placement Agent has agreed to act as exclusive placement agent in connection with the Offering subject to the terms of the Engagement Agreement, under which the Placement Agent agreed to use its reasonable best efforts to arrange for the sale of the Units distributed under the Offering. The Placement Agent is not purchasing or selling any of the Units offered pursuant to this Prospectus Supplement.

Pursuant to the Engagement Agreement, the Company has agreed to pay the Placement Agent a Placement Agent's Commission of \$2,800,035.19 (which equals 7.0% of the aggregate gross proceeds of the Offering). In addition to the Placement Agent's Commission, the Company agreed to issue to the Placement Agent, or as the Placement Agent may direct, an aggregate of 2,222,250 Agent Warrants (which equals 7.5% of the number of Units issued pursuant to the Offering). Each Agent Warrant shall entitle the holder to acquire one Agent Warrant Share at an exercise price per Agent Warrant Share equal to \$1.6875, subject to adjustment, at any time until 5:00 p.m. (Eastern Time) on the date that is 36 months after the Closing Date. This Prospectus Supplement also qualifies the distribution of the Agent Warrant Shares issuable upon exercise of the Agent Warrants. The Company has also agreed to reimburse the Placement Agent for certain of its fees and expenses, including (i) non-accountable expenses of the Placement Agent of US\$100,000 and (ii) to reimburse the Placement Agent for its clearing expenses in an amount not to exceed US\$15,950.

The Company has agreed to indemnify the Placement Agent and its affiliates, and the respective controlling persons, directors, officers, members, shareholders, agents and employees of any of the foregoing, from and against any and all claims, actions, suits, proceedings (including those of shareholders), damages, liabilities and expenses (including the reasonable fees and expenses of counsel), as incurred, whether or not the Company is a party thereto, that are (A) related to or arise out of (i) any actions taken or omitted to be taken (including any untrue statements made or any statements omitted to be made) by the Company, or (ii) any actions taken or omitted to be taken by any indemnified

person in connection with the Company's engagement of the Placement Agent pursuant to the Engagement Agreement; or (B) otherwise relate to or arise out of the Placement Agent's activities on the Company's behalf.

The TSXV has conditionally approved the listing of the Offered Shares, the Warrant Shares and the Agent Warrant Shares on the TSXV. Listing on the TSXV is subject to the Company fulfilling all of the listing requirements of the TSXV.

The offer and sale of the Units, Offered Shares and Warrants offered hereby have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States except pursuant to an exemption from registration under the U.S. Securities Act and applicable U.S. state securities laws. The Units may be offered to, or for the account or benefit of, persons in the United States that are either (i) "accredited investors" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act ("**Accredited Investors**"), or (ii) "qualified institutional buyers", as such term is defined in Rule 144A under the U.S. Securities Act, that are also Accredited Investors ("**Qualified Institutional Buyers**"), in each case for sale directly by the Company pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D thereunder and/or Section 4(a)(2) thereof and in compliance with all applicable U.S. state securities laws. The Placement Agent may also offer and sell the Units outside the United States in accordance with Rule 903 of Regulation S promulgated under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Offered Shares or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Warrants will not be exercisable by, or on behalf of, a person in the United States, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants 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 the Company has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Company; provided, however, that a holder who is an Accredited Investor at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

The Offered Shares, the Warrants and the Warrant Shares issuable upon exercise of the Warrants issued to, or for the account or benefit of, persons in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates representing any securities that are offered, sold or issued to, or for the account or benefit of, persons in the United States that are Accredited Investors (but not Qualified Institutional Buyers) purchasing pursuant to the exemption from registration provided by Rule 506(b) of Regulation D under the U.S. Securities Act will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable 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 state securities laws.

## **RISK FACTORS**

**Investing in our securities is speculative and involves a high degree of risk.** In addition to the risk factors set out herein, you should carefully consider the risks under the heading "Risk Factors" in the Prospectus and in the AIF, and the other documents we have incorporated by reference in this Prospectus Supplement that summarize the risks that may materially affect our business before making an investment in our securities. See "*Documents Incorporated by Reference*". If any of these risks occur, our business, results of operations or financial condition could be materially and adversely affected. In that case, the trading price of our securities could decline, and you may lose all or part of your investment. The risks set out in the documents indicated above are not the only risks we face. You should also refer to the other information set forth in this Prospectus Supplement and the documents incorporated by reference herein and therein, including our financial statements and the related notes.

*There can be no Assurance that the Offering will be Completed*

Pursuant to the terms of the Purchase Agreement, the issuance of the Units and the completion of the Offering are subject to a number of customary closing conditions, including but not limited to, listing of the Offered Shares and the Warrant Shares on the TSXV, and will be subject to the Company fulfilling all the requirements of the TSXV. There can be no certainty that the Offering will be completed.

### *There will be no Market for the Warrants*

The Company has not applied and does not intend to apply to list the Warrants on any securities exchange. There will be no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. The Offering Price was determined by negotiation between the Company, the Placement Agent and the purchasers participating in the Offering, with reference to the prevailing market price of the Common Shares on the TSXV. The allocation of the Offering Price between the Offered Shares and the Warrants comprising the Units has been determined by the Company. Allocation of proceeds between Offered Shares and Warrants is based on a preliminary estimate, and the valuation under the Company's accounting policy may differ.

### *Holders of Warrants Have no Rights as a Shareholder, other than as set forth in the Warrants*

Until a holder of Warrants acquires Warrant Shares upon exercise of Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Warrants, other than as set forth in the Warrants. Upon exercise of such Warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

### *Use of Proceeds*

The Company intends to allocate the net proceeds it will receive from an offering as described under "*Use of Proceeds*" in the Prospectus and this Prospectus Supplement. However, the Company will have broad discretion over the use of the net proceeds from the Offering. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company. Investors may not agree with how the Company allocates or spends the proceeds from the Offering. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Units, including the market value of the Common Shares or Warrants, and that may increase its losses.

### *Trading price of Common Shares and volatility*

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their Securities at or above their acquisition cost.

### *History of negative cash flows*

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

## **CERTAIN INCOME TAX CONSIDERATIONS**

The acquisition of the securities described herein may subject the Purchasers to tax consequences in both the U.S. and Canada. This Prospectus Supplement does not describe these tax consequences. Each Purchaser, in purchasing the securities under the Purchase Agreement, has acknowledged that it, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the securities, and has so evaluated the merits and risks of such investment. The Company has not made any representation regarding the tax consequences of an investment in the securities.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Company is TSX Trust Company with its principal offices in Vancouver, British Columbia, Canada and Toronto, Ontario, Canada.

### **AUDITORS**

The auditor of the Company is Manning Elliott LLP with its offices at #1700 - 1030 W. Georgia Street, Vancouver, B.C., Canada V6E 2Y3. Manning Elliott Accountants & Business Advisors is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

### **PURCHASERS' STATUTORY RIGHTS**

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. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision 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, revision 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.

In an offering of Units, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus Supplement is limited, in certain provincial securities legislation, to the price at which the Units are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants that underlie the Units, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

Dated: April 15, 2021

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of the province of British Columbia.

(Signed) "Cale Moodie"  
Chief Executive Officer

(Signed) "Kalle Radage"  
Chief Financial Officer

**On Behalf of the Board of Directors**

(Signed) "Carmen To"  
Director

(Signed) "Dario Meli"  
Director

*This short form base shelf prospectus has been filed under legislation in the provinces of British Columbia and Alberta that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities. Notwithstanding the foregoing, delivery to purchasers of a prospectus supplement containing the omitted information is not required where an exemption from the delivery requirements under applicable securities legislation in each of the provinces and territories of Canada is available.*

**No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. 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 any state securities laws and may not be offered or sold within the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the "United States", or to, or for the account or benefit of, a person in the United States unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, a person in the United States. See "Plan of Distribution".**

**Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.**

**Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Neptune Digital Assets Corp. at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7 (Telephone 1-800-545-0941), and are also available electronically at [www.sedar.com](http://www.sedar.com).**

## SHORT FORM BASE SHELF PROSPECTUS

New Issue and Secondary Offering

April 12, 2021

NEPTUNE DIGITAL ASSETS CORP.



**\$100,000,000**

Common Shares  
Warrants  
Subscription Receipts  
Units  
Debt Securities

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale by Neptune Digital Assets Corp. (the "**Company**", "**we**" or "**our**") from time to time, during the 25-month period that this Prospectus, including any amendments hereto, remains effective, of the following securities of the Company in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to \$100,000,000 (or the equivalent thereof in Canadian dollars or one or more foreign currencies or composite currencies): (i) common shares in the capital of the Company ("**Common Shares**"); (ii) warrants ("**Warrants**") to purchase other Securities (as defined below) of the Company; (iii) subscription receipts ("**Subscription Receipts**"); (iv) units ("**Units**") comprising of one or more of the other Securities; and (v) debt securities (the "**Debt Securities**") and together with the Common Shares, Warrants, Subscription Receipts, and Units, collectively referred to herein as the "**Securities**"). The Securities may be offered

separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**").

In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and the assumption of liabilities.

The Common Shares are listed for trading on the TSX Venture Exchange ("**TSXV**") under the trading symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW". On April 9, 2021, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the TSXV was \$1.05.

**Unless otherwise specified in an applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Units and Warrants will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, 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*".**

**Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.**

**No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

**The Company is not making and will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.**

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will, except in respect of any sales pursuant to an "at-the-market distribution" as contemplated by National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**"), be delivered to purchasers together with this Prospectus. Notwithstanding the foregoing, delivery to purchasers of a Prospectus Supplement containing the omitted information is not required where an exemption from the delivery requirements under applicable securities legislation in each of the provinces and territories of Canada is available. This Prospectus may qualify the sale of Securities pursuant to an "at-the-market distribution" as contemplated by NI 44-102. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains. You should read this prospectus and any applicable Prospectus Supplement carefully before you invest in any securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive

from the sale of such securities, if any, the amounts and prices at which such Securities are sold and the compensation of such underwriters, dealers or agents. See "*Plan of Distribution*".

**Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading "*Cautionary Note Regarding Forward-Looking and Other Statements*" and consider such risks and information in connection with an investment in the Securities. See "*Risk Factors*" for a more complete discussion of these risks.**

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iii) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms; and (v) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, the nature and priority of any security for the Debt Securities, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions, any arrangements with the trustee for the Debt Securities and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Investors should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this Prospectus (including any applicable Prospectus Supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the face page of this Prospectus, the date of any applicable Prospectus Supplement or the date of any documents incorporated by reference herein.

The Company's registered office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7.

## TABLE OF CONTENTS

<p>ABOUT THIS PROSPECTUS ..... 1</p> <p>CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS..... 1</p> <p>NON-IFRS MEASURES.....4</p> <p>MARKET AND INDUSTRY DATA.....4</p> <p>DOCUMENTS INCORPORATED BY REFERENCE ..... 5</p> <p>ABOUT THE COMPANY ..... 6</p> <p style="padding-left: 20px;">Recent Developments ..... 7</p> <p style="padding-left: 40px;">COVID-19 ..... 7</p> <p style="padding-left: 40px;">Private Placement..... 7</p> <p style="padding-left: 40px;">Warrant Exercise ..... 7</p> <p style="padding-left: 40px;">Discussion of Certain Items Required in Interim Management Discussion &amp; Analysis 8</p> <p>RISK FACTORS..... 9</p> <p style="padding-left: 20px;">Risks Related to the Offering of Securities ..... 9</p> <p style="padding-left: 40px;">Market price of Common Shares ..... 9</p> <p style="padding-left: 40px;">Absence of a public market for some of the Securities ..... 9</p> <p style="padding-left: 40px;">Future sales of issuance of debt or equity Securities..... 10</p> <p style="padding-left: 40px;">Discretion over use of proceeds ..... 10</p> <p style="padding-left: 40px;">Liquidity ..... 10</p> <p style="padding-left: 40px;">Unsecured Debt Securities ..... 10</p> <p style="padding-left: 40px;">Effect of changes in interest rates on Debt Securities..... 10</p> <p style="padding-left: 40px;">Effect of fluctuations in foreign currency markets on Debt Securities..... 10</p> <p style="padding-left: 40px;">Trading price of Common Shares and volatility..... 11</p> <p style="padding-left: 40px;">History of negative cash flows ..... 11</p> <p>USE OF PROCEEDS..... 11</p> <p>CONSOLIDATED CAPITALIZATION..... 11</p> <p>PRIOR SALES ..... 12</p>	<p>TRADING PRICE AND VOLUME ..... 12</p> <p>EARNINGS COVERAGE..... 12</p> <p>DESCRIPTION OF SECURITIES ..... 12</p> <p style="padding-left: 20px;">Common Shares ..... 12</p> <p style="padding-left: 20px;">Description of Debt Securities ..... 12</p> <p style="padding-left: 20px;">Ranking and Other Indebtedness..... 15</p> <p style="padding-left: 20px;">Registration of Debt Securities..... 15</p> <p style="padding-left: 40px;">Debt Securities in Book Entry Form..... 15</p> <p style="padding-left: 40px;">Debt Securities in Certificated Form ..... 16</p> <p style="padding-left: 20px;">Description of Warrants..... 17</p> <p style="padding-left: 40px;">Equity Warrants ..... 18</p> <p style="padding-left: 40px;">Debt Warrants ..... 18</p> <p style="padding-left: 20px;">Description of Units ..... 19</p> <p style="padding-left: 20px;">Description of Subscription Receipts..... 19</p> <p style="padding-left: 40px;">Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions 21</p> <p style="padding-left: 40px;">Escrow..... 21</p> <p style="padding-left: 40px;">Modifications..... 21</p> <p>DIVIDENDS ..... 21</p> <p>PLAN OF DISTRIBUTION ..... 21</p> <p style="padding-left: 20px;">New Issue ..... 21</p> <p style="padding-left: 20px;">Secondary Offering ..... 23</p> <p>CERTAIN INCOME TAX CONSIDERATIONS..... 24</p> <p>EXPERTS ..... 24</p> <p>AUDITORS, TRANSFER AGENT AND REGISTRAR..... 24</p> <p>PROMOTERS..... 24</p> <p>STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION..... 24</p> <p>CERTIFICATE OF THE COMPANY ..... C-1</p>
---	---

## ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. References to this "Prospectus" include documents incorporated by reference herein. The Company has not authorized anyone to provide any information that is different. The information in or incorporated by reference into this Prospectus is current only as of the date of this Prospectus or the date on the front of such other documents. It should not be assumed that the information contained in this Prospectus is accurate as of any other date. The Company is not making an offer of these Securities in any jurisdiction where the offer is not permitted by law.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompanying Prospectus Supplement prepared by the Company, together with any additional information described under the heading "*Documents Incorporated by Reference*".

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to the "Company", refer to Neptune Digital Assets Corp. together, where context requires, with its subsidiaries and affiliates. The term "management" in this Prospectus means those persons acting, from time to time, in the capacities of executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons' capacities as officers of the Company and not in their personal capacities.

The Company may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of \$100,000,000. This Prospectus provides a general description of the Securities that the Company may offer. All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Notwithstanding the foregoing, delivery to purchasers of a Prospectus Supplement containing the omitted information is not required where an exemption from the delivery requirements under applicable securities legislation in each of the provinces and territories of Canada is available. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of those Securities to which the Prospectus Supplement permits.

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, all dollar amounts are in Canadian dollars.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

Certain statements and other information contained or incorporated by reference in this Prospectus constitute forward-looking information under Canadian securities legislation (collectively "**forward-looking statements**") including, without limitation, statements containing the words "believe," "may," "plan," "will," "estimate," "continue," "anticipate," "intend," "expect," "predict," "project," "potential," "continue," "ongoing" or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Such forward-looking statements include, but are not limited to:

- the ability of blockchain technology to disrupt multiple industries;
- the increasing demand for cryptocurrencies and professional-grade, scalable cryptocurrency infrastructure;
- the increasing demand for regulation of the cryptocurrency industry;
- the Company's ability to maintain the listing of the Common Shares on the TSXV;
- the Company's strategy;
- potential sources of funding;
- the Company's expected expenditures and accumulated deficit level;
- the future price of cryptocurrencies, such as Bitcoin, and the other types of digital assets which the Company and its subsidiaries mine, hold and trade;
- the Company's intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in the businesses of the Company and its subsidiaries;
- the liquidity and market price of the Common Shares;

- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders ("**Shareholders**") sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the absence of a market through which the Securities, other than Common Shares, may be sold;
- the Company's ability to hire and retain skilled staff;
- changes to governmental laws and regulations; and
- effects of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Prospectus should not be unduly relied upon. These statements speak only as of the date of this Prospectus. The forward-looking statements in this document are based on what the Company currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Company (such documents are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com)). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the business and economic conditions affecting the Company's operations in their current state, including, general levels of economic activity, regulations, taxes and interest rates;
- the timing and amount of Dash Masternode and ATOM delegated revenue earned over time;
- conditions in the financial and cryptocurrency markets generally, and with respect to the prospects for the supply and demand of Bitcoin, Ethereum, ATOM and Dash cryptocurrencies specifically;
- the hashing power and general integrity of the Bitcoin, Dash and ATOM blockchains with respect to vulnerability from a malicious third party, or a 51% Attack;
- tax developments directed at cryptocurrency assets that may be enacted into legislation over time;
- governance decisions made by the Dash Masternode operators, ATOM validators and other proof-of-stake community that affect the rewards payout allocation;
- the Company's ability to profitably generate cryptocurrencies;
- the Company's ability to continue to achieve profitability;
- the Company's ability to successfully acquire and maintain required regulatory licences and qualifications;
- historical prices of cryptocurrencies;
- the emerging cryptocurrency and blockchain markets and sectors;
- the Company's ability to maintain good business relationships;
- the Company's ability to manage and integrate acquisitions;
- the Company's ability to identify, hire and retain key personnel;
- the Company's ability to raise sufficient debt or equity financing to support the Company's continued growth;
- the Company does not suffer a material impact or disruption from a cybersecurity incident, cyber- attack or theft of digital assets;
- continued maintenance and development of its cryptocurrency mining facility;
- continued growth in usage of the blockchain for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- the absence of adverse regulations or laws;
- the absence of material changes in the legislative, regulatory or operating framework for the Company's existing and anticipated business;
- projections of future financial and operational performance;
- statements with respect to future events or future performance;
- anticipated operating costs and revenue;
- estimates of capital expenditures; and
- future demand for and prices of digital currencies.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the factors that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- risks and uncertainties associated with the digital currency and blockchain industry;
- occurrence of a Bitcoin halving event;
- reduction in the number of Bitcoin miners and the processing power of the Bitcoin Network;
- the potential that the blockchain could be manipulated a malicious actor increased competition that adversely affects business;
- the Company's cryptocurrency inventory may be exposed to cybersecurity threats and hacks;
- regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations;
- the value of cryptocurrencies may be subject to volatility and momentum pricing risk;
- cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure;
- possibility of less frequent or a cessation of monetization of cryptocurrencies;
- limited history of de-centralized financial system;
- cryptocurrency network difficulty and impact of increased global computing power;
- banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment;
- the impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain;
- economic dependence on regulated terms of service and electricity rate risks;
- political and regulatory risks;
- permits and licences;
- server failures;
- global financial conditions;
- tax consequences;
- environmental regulations;
- environmental liability;
- the further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate;
- acceptance and/or widespread use of cryptocurrency is uncertain;
- the Company may be required to sell its inventory of cryptocurrency to pay suppliers or other third parties;
- facility developments;
- the Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies;
- the Company's coins may be subject to loss, theft or restriction on access;
- incorrect or fraudulent coin transactions may be irreversible;
- if the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations;
- the price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- failure to adopt to technological change, new products and standards, which materially impact the cryptocurrency industry;
- risks related to insurance;
- limited operating history;
- management of growth and working capital;
- continued growth in key exmarkets;
- additional funding requirements and dilution;
- loss of key employees and contractors;
- the ability to attract, retain and motivate qualified personnel;
- pandemics and COVID-19;
- conflicts of interest;
- liquid market or securities;
- dividends;
- interest rate risk;
- currency exchange risk;
- discretion over use of proceeds;

- absence of a public market for certain of the securities;
- unsecured debt securities;
- effect of changes in interest rates on debt securities;
- effect of fluctuations in foreign currency markets on debt securities;
- trading price of Common Shares and volatility;
- the Company's ability to manage operating expenses;
- the Company's ability to remain competitive as other better financed competitors develop and release competitive products;
- access to equipment and power;
- the Company's relationships with its customers, distributors, suppliers and business partners;
- the impact of intellectual property litigation that could materially and adversely affect the business;
- the risk that the Company's software products and/or services may contain undetected errors or "bugs", vulnerabilities or defects;
- damage or failure of our information technology;
- risks associated with potential violations of applicable privacy laws;
- risks resulting from interruptions or delays from third party processors and service providers upon which the Company relies;
- the Company's ability to obtain additional financing;
- failure of counterparties to perform their contractual obligations; and
- risks associated with litigation or dispute resolution.

Additional information on these and other factors is provided under the heading "*Risk Factors*" in this Prospectus and in the documents incorporated by reference herein including in the 2020 MD&A (as defined herein) under the heading "*Risk Factors*" and in the 2020 AIF (as defined herein) under the heading "*Risk Factors*", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this Prospectus.

Should one or more of these risks or uncertainties, or a risk that is not currently known to us, materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Prospectus and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

#### **NON-IFRS MEASURES**

The Company prepares and reports its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), which are also generally accepted accounting principles for publicly accountable entities in Canada. However, this prospectus may make reference to certain non-IFRS measures including key performance indicators used by management. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including "gross margins" and "working capital" which may be calculated differently by other companies. These non-IFRS measures and metrics are used to provide investors with supplemental measures of the Company's operating performance and liquidity and thus highlight trends in the Company's business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see the "*Non-GAAP Measures and Additional GAAP Measures*" section of the 2020 MD&A. A copy of the MD&A can be accessed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **MARKET AND INDUSTRY DATA**

Market and industry data presented in this Prospectus was obtained from third party sources, industry reports, journals, studies and publications, websites and other publicly available information, as well as industry and other data prepared

by the Company or on the Company's behalf on the basis of our knowledge of the cryptocurrency industry, markets and economies (including our opinions, estimates and assumptions relating to such industry, markets and economies based on that knowledge). We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information. Actual outcomes may vary materially from those forecasted in such reports or publications, and the likelihood for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying industry, market, economic and other assumptions relied upon by such sources. Industry, market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada.**

Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Company at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7 (Telephone 1-800-545-0941) Attn: Chief Executive Officer or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**"), at [www.sedar.com](http://www.sedar.com).

As of the date hereof, the following documents of the Company, filed with the securities commissions or similar regulatory authorities in the provinces of British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this Prospectus provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in the Prospectus, as further described below:

- the Company's annual information form for the year ended August 31, 2020, dated as at March 26, 2021 and filed on March 26, 2021 (the "**2020 AIF**");
- the Company's unaudited condensed interim consolidated financial statements for the three and six months ended February 28, 2021, filed on March 19, 2021;
- the Company's management's discussion and analysis for the three and six months ended February 28, 2021, and filed on March 19, 2021 (the "**Q2 2021 MD&A**");
- the management information circular dated February 5, 2021 with respect to the annual general and special meeting of the Shareholders held on March 25, 2021, filed on Feb 22, 2021.
- the Company's audited annual consolidated financial statements for the years ended August 31, 2019 and 2020 (the "**2020 Financial Statements**") and the notes thereto and the independent auditor's report thereon, filed on December 22, 2020;
- the Company's annual management's discussion and analysis for the year ended August 31, 2020, dated as at December 22, 2020 and filed on December 22, 2020; (the "**2020 MD&A**");
- the material change report dated (and filed on) March 30, 2020 relating to the announcement of the issuance of shares for settlement of debt on March 23, 2020;
- the material change report dated (and filed on) November 20, 2019 relating to the announcement of certain changes to the board of directors of the Company on November 15, 2019; and
- the material change report dated (and filed on) November 4, 2019 relating to the announcement of certain changes to the board of directors and officers of the Company on August 20, 2019.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* of the

Canadian Securities Administrators to be incorporated by reference in this Prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

**A Prospectus Supplement containing the specific terms of any offering of the Securities will be delivered to purchasers of the Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of the Securities to which that Prospectus Supplement pertains.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such a statement. 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 document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission 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 will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Rather only such statements as so modified or superseded shall be considered to constitute part of this Prospectus.**

Upon the Company's filing of a new annual information form and the related annual financial statements and management's discussion and analysis with applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and management's discussion and analysis and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Securities under this Prospectus.

Upon interim consolidated financial statements and the accompanying management's discussion and analysis and material change report being filed by the Company with the applicable securities regulatory authorities during the duration of this Prospectus, all interim consolidated financial statements and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of securities under this Prospectus. In addition, upon a new annual information form being filed by the Company with the applicable securities regulatory authorities during the term of this Prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by the Company and incorporated by reference into this Prospectus, such a business acquisition report shall no longer be deemed to be incorporated into this Prospectus for the purpose of future offers and sales of the Securities hereunder.

References to the Company's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Company's website into this Prospectus, and we disclaim any such incorporation by reference.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any "template version" of "marketing materials" (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

## **ABOUT THE COMPANY**

***The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that Prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus***

**and the applicable Prospectus Supplement, including under the heading "Risk Factors", as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.**

On January 17, 2018, Neptune Dash Nodes Corp. ("**Former Neptune**"), a private company that exclusively built, operated, and invested in Dash Masternodes and related technologies, completed an amalgamation (the "**Amalgamation**") with Crossroad Ventures Inc. ("**Crossroad**"), a reporting issuer in British Columbia and Alberta, to acquire a 100% interest in Crossroad which would constitute a reverse takeover of Crossroad by the shareholders of Former Neptune. The Amalgamation resulted in Crossroad and Former Neptune amalgamating under the *Business Corporations Act* (British Columbia) as one company (i.e. the Company) under the name "Neptune Dash Technologies Corp.". On December 17, 2020, the Company changed its from "Neptune Dash Technologies Corp." to "Neptune Digital Assets Corp.".

The Company's registered office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7. As of the date of this prospectus and in response to COVID-19, the Company has indefinitely closed its corporate offices in Vancouver and all employees are working remotely.

The Common Shares are listed for trading on the TSXV under the trading symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW".

The Company has one material subsidiary, Neptune Stake Technology Corp., a wholly-owned subsidiary of the Company that was incorporated pursuant to the laws of British Columbia.

The Company is currently engaged in growing a revenue-generating diversified portfolio of investments and cryptocurrency operations across the digital asset ecosystem including Bitcoin mining, tokens, proof-of-stake cryptocurrencies, decentralized finance (DeFi), and associated blockchain technologies. Further information regarding the business of the Company or its operations can be found in the 2020 AIF and the other materials incorporated by reference herein. See "*Documents Incorporated by Reference*".

## **Recent Developments**

### COVID-19

As at the date of this Prospectus, the Company has not had any confirmed cases of COVID-19 among any of its employees or contractors. The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; and (v) required 14-day quarantine for any employees returning from out of country travel. Although there have not been any significant impacts to the Company's operations to date, the Company cannot provide assurance that there will not be disruptions to its operations in the future, including with respect to the price, availability or delayed shipping of mining equipment, the occurrence of which could adversely impact the Company's business and operations. Refer to the "*Risk Factors*" section in the 2020 AIF for further discussion on the potential impacts of COVID-19.

### Private Placement

On or about March 31, 2021, Neptune completed a private placement of units of the Company at \$0.80 per unit and for aggregate proceeds of \$500,000. Each such unit consisted of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant entitling the holder to acquire one Common Share at a price of \$1.00 for a period of three (3) years from the closing date.

### Warrant Exercise

On or about April 5, 2021, Neptune issued an aggregate of 1,651,785 Common Shares on exercise of certain Common Share purchase warrants with Neptune receiving an aggregate of \$246,874.86 with respect to the exercise of such warrants.

## Discussion of Certain Items Required in Interim Management Discussion & Analysis

The following discussion and analysis supplements the discussion and analysis provided by management of the Company in the Q2 2021 MD&A related to the results of operations (previous financings) and summary of quarterly results of the Company and should be read in conjunction with the Q2 2021 MD&A.

On December 3, 2020, the Company received aggregate gross proceeds of \$300,000 with respect to the private placement issuance of 1,875,000 units at a price of \$0.08 per unit and 1,428,571 units at a price of \$0.105, with each unit consisting of one Common Share and one transferable Common Share purchase warrant entitling the holder to purchase one Common Share at a price of \$0.13 and \$0.175, respectively, for a period of three years from the issue date. The use of proceeds from the private placement was to fund strategic crypto currency acquisitions. From December 3, 2020 to February 28, 2021, the following shows the actual use of proceeds:

	Approximate actual use up to February 28, 2021
Strategic crypto currency acquisitions	\$300,000
	<b>\$300,000</b>

On February 16, 2021, the Company received aggregate gross proceeds of \$262,500 with respect to the private placement issuance of 1,500,000 units at a price of \$0.175 per unit with each unit consisting of one Common Share and one Common Share purchase warrant entitling the holder to purchase one additional Common Share at a price of \$0.294 for a period of three years from the issue date. The use of proceeds from the financing was to fund strategic crypto currency acquisitions. From February 16, 2021 to February 28, 2021, the following shows the actual use of proceeds:

	Approximate actual use up to February 28, 2021
Strategic crypto currency acquisitions	\$262,500
	<b>\$262,500</b>

In the two years preceding the date of the Q2 2021 MD&A, the factors that have caused material variations over the quarters that are necessary to understand general trends that have developed and the seasonality of the business are: (i) with respect to Net comprehensive income (loss) for the period — the unrealized gain and loss on the changing value of cryptocurrencies held by the Company. As the cryptocurrency sector is extremely volatile, large changes from gain to loss is not out of the ordinary, and management of the Company expect this may be standard over the coming years; and (ii) with respect to Total Assets — similarly impacted by the changing value of cryptocurrencies held by the Company.

In particular, with respect to the quarter ended May 31, 2019 — Revenues increased slightly due to the price of Dash tokens doubling over the three-month period from February to May, 2019, whereby the price of Dash increased from approximately \$80 per token to approximately \$160 per token. Neptune's operating costs diminished slightly due to efforts at cost-cutting across the Company. Net comprehensive income increased drastically as the Dash tokens Neptune was holding almost doubled in value from May 31, 2019 to August 31, 2019, creating a \$2.35 million unrealized gain and pushing the net income into positive territory, as well as pushing net assets up by the same amount, resulting in a \$2.3 million increase on Neptune's balance sheet for Digital assets.

In particular, with respect to the quarter ended August 31, 2019 — Revenues increased slightly even as Dash prices came off towards the end of August 31, 2019, decreasing by about 50% from approximately \$160 per token as of May 31, 2019 to under \$80 per token as of August 31, 2019. Operating costs diminished due to efforts at cost-cutting across the Company as the bear market took hold. Net comprehensive income also decreased as the Dash tokens Neptune was holding almost halved in value from May 31, 2019 to August 31, 2019, creating over \$2 million in unrealized losses and pushing the net income back into negative territory, as well as pushing net assets down by the same amount, resulting in a \$2.5 million decrease on the balance sheet for Digital assets — essentially returning the Company back to its financial position as at February 28, 2019.

## RISK FACTORS

An investment in the Company's securities is speculative and involves a high degree of risk. In addition to the other information included or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, you should carefully consider the risks and uncertainties described in the documents incorporated by reference in this Prospectus and any applicable Prospectus Supplement, together with all of the other information contained in this Prospectus, before purchasing the Company's securities. The occurrence of any of such risks could have a material adverse effect on our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our securities, including the Common Shares, could decline, and you may lose all or part of your investment. The risks described herein are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Investors should also refer to the other information set forth or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, including our consolidated financial statements and related notes. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described herein. See "*Cautionary Note Regarding Forward-Looking and Other Statements*".

In particular, you should carefully consider the risks described under the Company's 2020 AIF under the heading "*Risk Factors*", and other publicly filed documents which are incorporated herein by reference, as well as the risk factors described under the heading "Risk Factors" in any applicable prospectus supplement. See "*Documents Incorporated by Reference*".

### Risks Related to the Offering of Securities

#### Market price of Common Shares

The Common Shares are listed and posted for trading on the TSXV. An investment in the Securities is highly speculative. The market prices for the securities of companies in the blockchain and cryptocurrency industry, including our own, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the financial performance or Prospectus of any particular company. In addition, because of the nature of the cryptocurrency industry, certain factors can have an adverse impact on the market price of the Common Shares, such as:

- the Company's announcements and the public's reaction;
- the Company's financial condition or results of operations as reflected in our quarterly and annual financial statements;
- the Company's operating performance and the performance of competitors and other similar companies;
- government regulations;
- changes in earnings estimates or recommendations by research analysts who track the Securities or securities of other companies in the blockchain and cryptocurrency sector;
- general market conditions;
- announcements relating to litigation;
- the arrival or departure of key personnel; and
- the factors listed under the heading "*Cautionary Note Regarding Forward-Looking Statements*".

#### Absence of a public market for some of the Securities

There is no public market for the Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of the Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units on any securities exchanges. If the Debt Securities, Warrants, Subscription Receipts, Securities purchase contracts or Units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market

for the Debt Securities, Warrants, Subscription Receipts, or Units, or that a trading market for these Securities will develop at all.

#### Future sales of issuance of debt or equity Securities

Given the Company's plans and expectations that additional capital and personnel will be needed, the Company may need to issue additional debt or equity securities. The Company cannot predict the size of future sales and issuances of debt or equity Securities or the effect, if any, that future sales and issuances of debt or equity Securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity Securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity Securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share.

#### Discretion over use of proceeds

The Company intends to allocate the net proceeds it will receive from an offering as described under "*Use of Proceeds*" in this Prospectus and the applicable Prospectus Supplement. However, the Company will have broad discretion over the use of the net proceeds from an offering by the Company of the Securities. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company. Investors may not agree with how the Company allocates or spends the proceeds from an offering of the Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Securities, including the market value of the Common Shares, and that may increase its losses.

#### Liquidity

Shareholders may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSXV or other public listing exchanges.

#### Unsecured Debt Securities

The Company carries on its business through corporate subsidiaries, and the majority of its assets are held in corporate subsidiaries. The results of the Company's operations and its ability to service indebtedness, including the Debt Securities, are dependent upon the results of operations of these subsidiaries and the payment of funds by these subsidiaries to the Company in the form of loans, dividends or otherwise. Unless otherwise indicated in the applicable Prospectus Supplement, the Company's subsidiaries will not have an obligation to pay amounts due pursuant to any Debt Securities or to make any funds available for payment on Debt Securities, whether by dividends, interest, loans, advances or other payments. In addition, the payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable Prospectus Supplement, the indenture governing the Company's Debt Securities is not expected to limit the Company's ability or the ability of its subsidiaries to incur indebtedness. Unless otherwise indicated in the applicable Prospectus Supplement, such indebtedness of the Company's subsidiaries would be structurally senior to the Debt Securities. As such, in the event of the liquidation of any subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any Debt Securities. See "*Description of Debt Securities*".

#### Effect of changes in interest rates on Debt Securities

Prevailing interest rates will affect the market price or value of any Debt Securities. The market price or value of any Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

#### Effect of fluctuations in foreign currency markets on Debt Securities

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of

foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement.

#### Trading price of Common Shares and volatility

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their Securities at or above their acquisition cost.

#### History of negative cash flows

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

### **USE OF PROCEEDS**

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, the Company may use the net proceeds from the sale of Securities: (i) for operational costs relating to its business; (ii) for the acquisition of new equipment or other capital expenditures; (iii) for the acquisition of new intellectual property or other businesses and (ii) for general corporate and working capital purposes.

The management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on the its operating and capital needs from time to time. Although there have not been any significant impacts to the Company's operations to date resulting from COVID-19, the Company cannot provide assurance that there will not be disruptions to its operations in the future, including with respect to the price, availability or delayed shipping of mining equipment, the occurrence of which could adversely impact the Company's business and operations. Refer to the "*Risk Factors*" section in the 2020 AIF for further discussion on the potential impacts of COVID-19. Any Prospectus Supplement will disclose any known specific impact on the use proceeds resulting from COVID-19.

We may also, from time to time, decide to issue Securities otherwise than pursuant to a Prospectus Supplement to this Prospectus. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement.

During all but the most recent last two financial quarters, the Company recorded losses, negative cash flow from operations and an accumulated deficit. The Company's cash flow from operations may be affected in the future by the investment it is making to continue to develop its products and services. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

### **CONSOLIDATED CAPITALIZATION**

There have been no material changes to the Company's consolidated capitalization which have not been disclosed in this Prospectus or the documents incorporated by reference since the date of the 2020 Financial Statements. The applicable Prospectus Supplement will describe any material changes, and the effect of such material changes on the

share and loan capitalization of the Company that will result from the issuance of Securities pursuant to each Prospectus Supplement.

### **PRIOR SALES**

Information in respect of the Company's Common Shares that have been issued within the previous twelve-month period, including Common Shares that have been issued upon the exercise of stock options of the Company, Common Shares that have been issued upon the exercise of restricted share units of the Company and Common Share purchase warrants will be provided as required in a Prospectus Supplement with respect to the issuance of securities pursuant to such Prospectus Supplement.

### **TRADING PRICE AND VOLUME**

The Common Shares are listed for trading on the TSXV under the trading symbol "NDA" as well as on the OTCQB under "NPPTF" and on the Frankfurt Stock Exchange under the symbols "1NW". Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement.

### **EARNINGS COVERAGE**

The applicable Prospectus Supplement will include, as required, earnings coverage ratios with respect to the issuance of such Securities pursuant to such Prospectus Supplement.

### **DESCRIPTION OF SECURITIES**

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

#### **Common Shares**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. The rights, privileges and restrictions on the Common Shares are contained in the articles of the Company, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). As of the date hereof, there are 92,778,024 Common Shares issued and outstanding.

Each Common Share entitles the holder to receive notice of and attend all meetings of the Shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the Board, in its discretion. In the event of the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares. Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, the holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares.

#### **Description of Debt Securities**

In this section describing the Debt Securities, the terms "Company" and "NDA" refer only to Neptune Digital Assets Corp. without any of its subsidiaries.

The following is a brief summary of certain general terms and provisions of the Debt Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Debt Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Debt Securities, and the extent to which the general terms and provisions described below may apply to such Debt Securities will be described in the applicable Prospectus Supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture (defined herein). Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities

commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically through SEDAR at [www.sedar.com](http://www.sedar.com).

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this Prospectus. Convertible Debt Securities offered under this Prospectus and any Prospectus Supplement may only be convertible into other securities of the Company.

The Company will deliver, along with this Prospectus, an undertaking to the securities regulatory authority in the provinces of British Columbia and Alberta that the Company will, if any Debt Securities are distributed under this Prospectus and for so long as such Debt Securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any Prospectus Supplement offering guaranteed Debt Securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of National Instrument 41-101 – *General Prospectus Requirements*.

The Debt Securities will be issued under one or more indentures (each, a "**Trust Indenture**"), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a "**Trustee**").

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the price or prices at which the Debt Securities will be issued;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay the principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deducting for Canadian tax purposes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;

- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency Units for which Debt Securities may be purchased and the currency or currency Units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the Debt Securities will be issued as Global Securities (defined herein) and, if so, the identity of the Depository (defined herein) for the global securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency Units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of Disqualified Holders, as defined in securities laws, or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

Unless stated otherwise in the applicable Prospectus Supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company

may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

Original purchasers of Debt Securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such Debt Security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Debt Security and the amount paid upon conversion or exchange, upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The board of directors of the Company may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any Security.

### **Registration of Debt Securities**

#### Debt Securities in Book Entry Form

Unless otherwise indicated in an applicable Prospectus Supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global securities ("**Global Securities**") registered in the name of a designated clearing agency (a "**Depository**") or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the Prospectus Supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee ("**Participants**"). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their respective names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder's interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to properly discharge its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt Securities held by the Depository or the book-entry accounts maintained by the Depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests; or (iii) any advice or representation made by or with respect to the Depository and contained in this Prospectus or in any Prospectus Supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Participants.

Unless otherwise stated in the applicable Prospectus Supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

#### Debt Securities in Certificated Form

A series of the Debt Securities may be issued in definitive form, solely as registered Securities, solely as unregistered Securities or as both registered Securities and unregistered Securities. Unless otherwise indicated in the applicable Prospectus Supplement, unregistered Securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in

the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest, if any, will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered Securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such an event, unregistered Securities surrendered in a permitted exchange for registered Securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered Securities will not be issued in exchange for registered Securities. The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

### **Description of Warrants**

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants. This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant agreement and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Warrant agreement. Prospective investors should refer to the Warrant indenture or Warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any Warrant indenture or Warrant agency agreement relating to an offering of Warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

We may issue Warrants independently or together with other securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Warrants will be issued under one or more Warrant agency agreements to be entered into by us and one or more banks or trust companies acting as Warrant agent. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

The Company will deliver an undertaking to the securities regulatory authority in the provinces of British Columbia and Alberta, that it will not distribute Warrants that, according to their terms as described in the applicable Prospectus Supplement, are "novel" specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in the provinces of British Columbia and Alberta where the Warrants will be distributed.

The applicable Prospectus Supplement relating to any Warrants that we offer will describe the particular terms of those Warrants and include specific terms relating to the offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act*

(British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

### Equity Warrants

The particular terms of each issue of equity Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity Warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional Common Shares;
- whether the Company has applied to list the equity Warrants or the underlying Common Shares on a stock exchange;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the equity Warrants and the related Securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

### Debt Warrants

The particular terms of each issue of debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;

- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;
- the principal amount and designation of Debt Securities that may be purchased upon exercise of each debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt Warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants;
- whether we have applied to list the debt Warrants or the underlying Debt Securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

### Description of Units

The Company may issue Units, which may consist of one or more of Common Shares, Warrants or any other Security specified in the relevant Prospectus Supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the Securities included in the Unit. In addition, the relevant Prospectus Supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the securities comprising the Units will be transferable separately;
- whether we will apply to list the Units or any of the individual securities comprising the Units on any exchange;
- material Canadian income tax consequences of owning the Units, including, how the purchase price paid for the Units will be allocated among the securities comprising the Units; and
- any other material terms or conditions of the Units.

### Description of Subscription Receipts

The Company may issue Subscription Receipts separately or in combination with one or more other Securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the "**Release Conditions**") and for no additional consideration, Common Shares, Warrants, Debt Securities or any combination thereof. Subscription Receipts will be issued pursuant to one or more Subscription Receipt agreement (each, a "**Subscription Receipt Agreement**"), the material terms of which will be described in the applicable Prospectus Supplement, each to be entered into between the Company and an escrow agent (the "**Escrow Agent**") that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts that we may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Warrants and/or Debt Securities to be received by the holders of Subscription Receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of Subscription Receipts to receive, for no additional consideration, the Common Shares, Warrants and/or Debt Securities;
- the procedures for the issuance and delivery of the Common Shares, Warrants and/or Debt Securities to holders of Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Warrants and/or Debt Securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the "**Escrowed Funds**"), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, Warrants and/or Debt Securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this Prospectus, the Prospectus Supplement under which such Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether we will issue the Subscription Receipts as Global Securities and, if so, the identity of the Depository for the Global Securities;
- whether we will issue the Subscription Receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Warrants or other Securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Company will apply to list the Subscription Receipts on any exchange;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipts. The contractual right of rescission will entitle such original purchasers

to receive the amount paid on original purchase of the Subscription Receipts upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipts under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipts under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

#### Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions

The holders of Subscription Receipts will not be, and will not have the rights of, Shareholders. Holders of Subscription Receipts are entitled only to receive Common Shares, Warrants and/or Debt Securities upon exchange of their Subscription Receipts, plus any cash payments, if applicable, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and their pro-rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement.

#### Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, Warrants and or Debt Securities may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

#### Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or a consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the Subscription Receipts without the consent of the holders of the Subscription Receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

### **DIVIDENDS**

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the Company, after taking into account a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

### **PLAN OF DISTRIBUTION**

#### **New Issue**

The Company may sell the Securities separately or together, to or through underwriters or dealers purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities (or the manner of determination thereof if

offered on a non-fixed price basis, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102), and the proceeds to the Company from the sale of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a reasonable effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102, including sales made directly on the TSXV or other existing trading markets for the Common Shares. Sales of Common Shares under an "at-the-market distribution", if any, will be made pursuant to an accompanying Prospectus Supplement. The volume and timing of any "at-the-market distributions" will be determined at the Company's sole discretion.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of the Securities, other than an "at-the-market distribution", the underwriters, dealers or agents who participate in the distribution of the Securities may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. No underwriter involved in an "at-the-market distribution", no affiliate of such an underwriter and no person or company acting jointly or in concert with such an underwriter may over-allot Common Shares in connection with the distribution or may effect any other transactions that are intended to stabilize or maintain the market price of the Common Shares in connection with an "at-the-market distribution" including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

This Prospectus constitutes a public offering of these Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States, unless the Securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. Each underwriter, dealer and agent who participates in the distribution will agree not to sell or offer to sell or to solicit any offer to buy any Securities within the United States or to, or for the account or benefit of, a person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these Securities in the United States.

Each Prospectus Supplement with respect to the Securities being offered will set forth the terms of the offering, including:

- the person offering the Securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, the Securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

## Secondary Offering

This Prospectus may also, from time to time, relate to the offering of Common Shares by certain selling securityholders. The Prospectus Supplement that we will file in connection with any offering of Common Shares by selling securityholders will include the following information:

- the names of the selling securityholders;
- the number or amount of Common Shares owned, controlled or directed by each selling securityholder;
- the number or amount of Common Shares being distributed for the account of each selling securityholder;
- the number or amount of securities to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding securities; and
- whether such Common Shares are owned by the selling securityholders both of record and beneficially, of record only or beneficially only.

The selling securityholders may sell all or a portion of the Common Shares beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If Common Shares are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts

- or commissions or agent's commissions. Common Shares may be sold by the selling securityholders in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time
- of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, as follows:
- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the TSXV;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

If the selling securityholders effect such transactions by selling the Common Shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of our Common Shares for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the Common Shares or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Common Shares in the course of hedging in positions they assume. The selling securityholders may also sell the Common Shares short and deliver the Common Shares covered by this Prospectus to close out short positions and to return borrowed shares in

connection with such short sales. The selling securityholders may also loan or pledge the Common Shares to broker-dealers that in turn may sell such Common Shares.

### **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

### **EXPERTS**

Unless otherwise specified in a Prospectus Supplement relating to any Securities offered, certain legal matters in connection with the offering of Securities will be passed upon on behalf of the Company's by DLA Piper (Canada) LLP. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

As of the date hereof, the designated professionals of DLA Piper (Canada) LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

Manning Elliott LLP as external auditor is independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

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

The auditor of the Company is Manning Elliott LLP with its offices at #1700 - 1030 W. Georgia Street, Vancouver, B.C., Canada V6E 2Y3.

The transfer agent and registrar of the Company is TSX Trust Company with its principal offices in Vancouver, British Columbia, Canada and Toronto, Ontario, Canada.

### **PROMOTERS**

No person is, or has acted as, our promoter during the two years immediately preceding the date of this Prospectus.

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

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by such purchaser because the Prospectus, Prospectus Supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the Prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

In an offering of Warrants, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the Prospectus or a Prospectus Supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

## CERTIFICATE OF THE COMPANY

Dated: April 12, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia and Alberta.

(Signed) "Cale Moodie"  
Chief Executive Officer

(Signed) "Kalle Radage"  
Chief Financial Officer

### On Behalf of the Board of Directors

(Signed) "Carmen To"  
Director

(Signed) "Dario Meli"  
Director