

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

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

## **PRELIMINARY PROSPECTUS**

**Initial Public Offering**

**February 16, 2018**

### **BIG DOUGIE CAPITAL CORP. (a capital pool company)**

**\$200,000**

**2,000,000 common shares**

**Price: \$0.10 per common share**

The purpose of this offering (the "**Offering**") is to provide Big Dougie Capital Corp. (the "**Corporation**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. ("**TSX Venture**" or the "**Exchange**"), and in the case of a Non-Arm's Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined) in accordance with Policy 2.4 of the TSX Venture Corporate Finance Manual (the "**CPC Policy**"). The Corporation is a capital pool company ("**CPC**") that has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction, the Corporation will not carry on business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

Big Dougie Capital Corp is named in honour of Doug Stuve, who passed away suddenly on November 23, 2017. "Big Dougie" was a loving husband, father, son, brother, uncle, friend and colleague. He was a respected member of the Alberta legal community with a focus on corporate and securities law. Through Capital Pool Companies, Doug advised and helped many companies access the Canadian capital markets and often provided ongoing guidance by serving as a corporate director. The Founders (as hereinafter defined) and directors of the Corporation were all friends and colleagues of Doug's and felt that establishing a Capital Pool Company in his name would be a fitting tribute to one of the pioneers of the Canadian Capital Pool Company program. The Founders gifted subscription funds to Karen Stuve to purchase Common Shares which are held by Ms. Stuve for the benefit of the Estate of Douglas M. Stuve. Big Dougie lived each day to the fullest and his life was filled with love of family and friends. He will be missed.

This Offering is being conducted on a commercially reasonable efforts agency basis on behalf of the Corporation by PI Financial Corp. (the "**Agent**") in the provinces of Alberta, British Columbia and Ontario and is subject to the receipt by the Corporation of subscriptions for 2,000,000 common shares of the Corporation (the "**Common Shares**") at a price of \$0.10 per share (the "**Offering Price**") for gross proceeds to the Corporation of \$200,000 (the "**Offering Amount**"). See "Plan of Distribution". The Offering Price was determined arbitrarily by the directors of the Corporation. If the Offering is not raised within 90 days of the issuance of a receipt for the final prospectus, or such time as may be consented to by persons or companies who subscribed within that period, or such other time as may be authorized by the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission (collectively, the "**Commissions**"), as well as agreed to by the Agent, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the Offering, or 40,000 Common Shares (\$4,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with that purchaser's Associates and Affiliates (as hereinafter defined), is 4% of the Offering, or 80,000 Common Shares (\$8,000).

	<u>Common Shares</u>	<u>Price to the Public</u>	<u>Agent's Commission<sup>(1)</sup></u>	<u>Proceeds to the Corporation<sup>(2)</sup></u>
Per Common Share	1	\$0.10	\$0.01	\$0.09
Total Offering <sup>(3)</sup>	2,000,000	\$200,000	\$20,000	\$180,000

Notes:

- (1) Pursuant to the Agency Agreement (as defined herein), the Agent has agreed to act as the agent of the Corporation in connection with the Offering, and will receive a commission (the "**Agent's Commission**") of 10% of the gross proceeds of the Offering, which will amount to \$20,000 assuming the total Offering is sold. In addition, the Agent will receive a corporate finance fee of \$10,000 plus applicable taxes, and will be reimbursed for their expenses, including legal fees incurred pursuant to this Offering, estimated to be \$10,000 (including applicable taxes and disbursements). The Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, upon completion of the Offering, non-transferable options to purchase 10% of the number of Common Shares sold pursuant to the Offering, at a price of \$0.10 per Common Share, for a period of twenty-four (24) months from the date of the listing of the Common Shares on TSX Venture, which options may only be exercised following the completion by the Corporation of a Qualified Transaction (the "**Agent's Option**"). The Agent's Option is qualified for distribution under this prospectus. See "Plan of Distribution".
- (2) Before deducting expenses of this Offering, estimated to be \$44,500, not including the Agent's Commission, corporate finance fee or expenses of the Agent.
- (3) A total of 2,000,000 Common Shares are offered hereunder, not including the Agent's Option or the incentive stock options to be granted to the directors and officers of the Corporation to purchase an aggregate of 1,200,000 Common Shares at a price of \$0.10 per Common Share (the "**Incentive Stock Options**"), which Incentive Stock Options are also qualified for distribution under this prospectus. See "Incentive Stock Options".

**There is currently no market through which these securities may be sold and the purchaser may not be able to resell these securities. The Corporation has applied for the listing of the Common Shares on TSX Venture. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX Venture, including the distribution of the Common Shares to a minimum number of public shareholders.**

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Incentive Stock Options and the grant of the Agent's Option, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the Corporation's preliminary prospectus is issued by the securities commission that is designated the principal regulator for the Corporation pursuant to Multilateral Instrument 11-102 *Passport System* (the "**Principal Regulator**") and the time the Common Shares are listed for trading on TSX Venture except, subject to prior acceptance of TSX Venture, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to a discretionary order of the applicable securities regulatory authority.

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

The Agent hereby conditionally offers for sale, on a "commercially reasonable efforts" agency basis, 2,000,000 Common Shares without nominal or par value at a price of \$0.10 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued and delivered by the Corporation, and accepted in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Burstall Winger Zammit LLP, Calgary, Alberta, on behalf of the Corporation, and by Miller Thomson LLP, Vancouver, British Columbia, on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

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

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## TABLE OF CONTENTS

GLOSSARY OF TERMS .....	3
PROSPECTUS SUMMARY .....	10
THE CORPORATION .....	12
BUSINESS OF THE CORPORATION .....	12
Proposed Operations of the Corporation.....	12
Preliminary Expenses of the Corporation .....	12
Method of Financing Qualifying Transaction.....	13
Criteria for Qualifying Transactions.....	13
REGULATORY AND SHAREHOLDER APPROVAL.....	13
Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction .....	13
Initial Listing Requirements .....	15
Trading Halts, Suspension and Delisting.....	15
USE OF PROCEEDS .....	16
Permitted Use of Funds.....	17
Restrictions on Use of Proceeds.....	17
Private Placements for Cash .....	18
Prohibited Payments to Non Arm's Length Parties.....	18
PLAN OF DISTRIBUTION .....	19
Agent and Agent's Compensation.....	19
Other Securities to be Qualified and Distributed .....	19
Determination of Price.....	20
Listing Application .....	20
Subscriptions by and Restrictions on the Agent .....	20
Restrictions on Trading.....	20
DESCRIPTION OF SHARE CAPITAL.....	21
General.....	21
Common Shares .....	21
Preferred Shares .....	21
CAPITALIZATION .....	21
INCENTIVE STOCK OPTIONS .....	22
PRIOR SALES.....	23
ESCROWED SECURITIES .....	23
Escrowed Securities on Qualifying Transaction.....	25
PRINCIPAL SHAREHOLDERS .....	26
DIRECTORS, OFFICERS, PROMOTERS AND ADVISORS .....	27
General.....	27
Corporate Cease Trade Orders or Bankruptcies .....	28
Personal Bankruptcies.....	30
Penalties or Sanctions .....	30
Share Ownership.....	30
Positions with Reporting Issuers.....	30
MANAGEMENT, KEY PERSONNEL AND ADVISORS .....	32
CONFLICTS OF INTEREST .....	34
REMUNERATION OF DIRECTORS AND OFFICERS .....	34
PROMOTER.....	35
INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS.....	35
MATERIAL CONTRACTS .....	35
DILUTION .....	36
RISK FACTORS .....	36
LEGAL PROCEEDINGS .....	37

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT .....	38
RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS .....	38
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	38
ELIGIBILITY FOR INVESTMENT.....	38
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	39
FINANCIAL STATEMENTS OF THE CORPORATION.....	F-1
CERTIFICATE OF THE CORPORATION.....	C-1
CERTIFICATE OF THE PROMOTER .....	C-1
CERTIFICATE OF THE AGENT.....	C-2

## GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this prospectus.

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

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

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

A Company is "controlled" by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

**"Agency Agreement"** has the meaning assigned thereto under the heading "Plan of Distribution".

**"Agent"** means PI Financial Corp.

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

**"Agent's Option"** has the meaning assigned thereto on page (ii).

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

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

- (d) identifies the conditions to any further formal agreements to complete the transaction; and

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

**"Associate"** when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including:
  - (i) that person's spouse or child; or
  - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of TSX Venture with respect to that Member firm, Member corporation or holding company.

**"Commissions"** has the meaning assigned thereto on the face page of this prospectus.

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

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

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

**"Corporation"** means Big Dougie Capital Corp.

**"CPC"** means a corporation:

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

**"CPC Filing Statement"** means the disclosure document of the CPC prepared in accordance with the TSX Venture Form 3B2 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

**"CPC Information Circular"** means the information circular of the CPC prepared in accordance with applicable securities laws and the TSX Venture Form 3B1 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

**"CPC Policy"** means policy 2.4 of the TSX Venture.

**"Escrow Agreement"** has the meaning assigned thereto under the heading "Escrowed Securities".

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

**"Founders"** means, collectively, Gordon McMillan, Al J. Kroontje, V. E. Dale Burstall, John A. McMahon, G. Scott Paterson and Steven J. Landry.

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

**"Incentive Stock Options"** has the meaning assigned there to on page (ii).

**"Initial Listing Requirements"** means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

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

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

**"Issuer"** means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange.

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

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

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

**"Member"** means a Person who has executed a members' agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

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

**"NEX"** means the market on which former TSX Venture and Toronto Stock Exchange issuers that do not meet tier maintenance requirements may continue to trade.

**"Non-Arm's Length Party"** means in relation to a Company, a promoter, officer, director, other insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, insider or Control Person.

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

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

**"Offering"** has the meaning assigned thereto on the first page of this prospectus.

**"Offering Amount"** means \$200,000.

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

**"Principal"** means:

- (a) a Person or Company who acted as a Promoter of the issuer within two years, or their respective Associates or Affiliates, before the initial public offering ("**IPO**") prospectus or the Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a **20% holder** - a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a **10% holder** - a person or company that:
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

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

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

A principal's spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the issuer they hold will be subject to escrow requirements.

**"Pro Group"** means:

- (a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:
  - (i) the Member;
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;

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

**"Promoter"** has the meaning specified in Section 1(rr) of the *Securities Act* (Alberta).

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

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

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

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

**"Seed Shares"** means the 10,000,000 Common Shares issued and outstanding prior to the Offering.

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

**"Sponsor"** has the meaning specified in TSX Venture Policy 2.2 - Sponsorship and Sponsorship Requirements.

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

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

## PROSPECTUS SUMMARY

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

**THE CORPORATION:** Big Dougie Capital Corp. (the "**Corporation**")

**BUSINESS OF THE CORPORATION:**

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations, has not identified any potential Qualifying Transactions and has no assets other than a minimum amount of cash. See "Business of the Corporation".

**OFFERING:**

An aggregate of 2,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of Alberta, British Columbia and Ontario. In addition, pursuant to the Agency Agreement, the Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, the Agent's Option to purchase up to 200,000 Common Shares at a price of \$0.10 per Common Share for a period of twenty-four (24) months from the date of listing of the Common Shares on the TSX Venture, subject to the options being exercisable only following the completion by the Corporation of a Qualified Transaction, which options are qualified under and distributed pursuant to this prospectus. The Incentive Stock Options to be granted to the directors and officers of the Corporation to purchase an aggregate of 1,200,000 Common Shares at a price of \$0.10 per Common Share for a period of ten years from the date of grant are also to be qualified under and distributed pursuant to this prospectus. See "Plan of Distribution" and "Incentive Stock Options".

**USE OF PROCEEDS:**

The net proceeds to the Corporation from the Offering and prior sales of Common Shares, after the payment of all costs in respect of the Offering (including the Agent's Commission, the corporate finance fee and the expenses of the Agent) estimated to be \$85,000, are estimated to be \$610,500. The net proceeds of this Offering and proceeds from prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets and businesses with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such assets or businesses once identified and evaluated, and additional funds may be required. Until completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds of the Offering and sales of Common Shares prior to the Offering; and (ii) \$210,000, may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Corporation" and "Risk Factors".

**DIRECTORS, OFFICERS AND ADVISORS:**

The directors and officers of the Corporation are: Al J. Kroontje, Chief Executive Officer and Director; Gordon McMillan, Director; John A. McMahon, Chief Financial Officer and Director; Steven J. Landry,

Director; and V. E. Dale Burstall, Corporate Secretary and Director. G. Scott Paterson is the Technology Advisor.

**ESCROWED  
SHARES:**

An aggregate of 10,000,000 Common Shares, being all of the currently issued and outstanding Common Shares, have been deposited into escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See "Escrowed Securities".

**RISK FACTORS:**

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was recently incorporated, has no active business and owns no business operations or assets, other than cash, has not identified a potential company, asset or business as a proposed Qualifying Transaction and has not entered into an Agreement in Principle. The Corporation does not have a history of earnings, has not paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction. The Offering is suitable only to those investors who are willing to rely entirely on the directors and management of the Corporation and who can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of approximately 41.67% or \$0.0417 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. In the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business or assets outside of Canada as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers or experts resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons or companies, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. If the Corporation does not list the Common Shares on the TSX Venture prior to the time of closing in the manner contemplated in this prospectus under the heading "Eligibility for Investment", adverse tax consequences may arise with respect to any Common Shares held in RRSPs, RRIFs, TFSAs, deferred profit sharing plans and registered education savings plans. See "Business of the Corporation", "Management, Key Personnel and Advisors", "Directors, Officers and Promoters", "Use of Proceeds", "Risk Factors" and "Conflicts of Interest".

## THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on December 14, 2017 under the name of "Big Dougie Capital Corp."

The head office of the Corporation is located at 900, 903 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 0P7 and the registered and records office of the Corporation is located at Suite 1600, Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1.

On February 13, 2018, the Corporation amended its articles to remove restrictions on share transfers contained therein and to remove the ability of directors to appoint one or more additional directors between annual general meetings.

## BUSINESS OF THE CORPORATION

### Proposed Operations of the Corporation

The Corporation has not conducted operations of any kind and does not own any assets, other than cash.

The Corporation proposes initially to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction must be accepted by the TSX Venture and in the case of a Non-Arm's Length Qualifying Transaction is also subject to the Majority of the Minority Approval of the shareholders of the Corporation in accordance with the CPC Policy. The Corporation has not conducted commercial operations. Once a suitable company, asset or business is identified and evaluated, the Corporation will negotiate the terms under which such company, asset or business may be acquired or participated in by itself or jointly with others.

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

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

The Corporation is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Corporation anticipates reviewing assets and businesses in a broad range of industry sectors and geographical areas.

### Preliminary Expenses of the Corporation

As at the date hereof, the Corporation has paid to the Agent a corporate finance fee in the amount of \$10,000 (plus G.S.T.) and a \$10,000 retainer to be applied towards the expenses of the Agent. In addition, the Corporation has paid \$5,000 (plus G.S.T.) to the Exchange, as part of the Corporation's initial listing fee. Part of the net proceeds of the Offering will be utilized to satisfy the obligations of the Corporation related to the Offering estimated at \$85,000, including the expenses and fees of the Agent, the Agent's Commission, the expenses of its auditors, legal counsel and the Agent's legal counsel and the filing fees of the Exchange and applicable securities regulatory authorities. See "Use of Proceeds".

## **Method of Financing Qualifying Transaction**

The Corporation will negotiate the terms of the Qualifying Transaction and may use cash, secured or unsecured debt, the issuance of treasury shares, a public equity or debt financing or a combination of the foregoing for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of shares from the treasury could result in a change of control of the Corporation and may cause shareholders to suffer further dilution to their investment.**

## **Criteria for Qualifying Transactions**

A Qualifying Transaction may arise in numerous ways and management has not placed geographical restrictions on potential Qualifying Transactions. The Corporation has not established pre-determined criteria for potential Qualifying Transactions, other than sound business fundamentals. Such fundamentals include, but are not limited to:

- (a) the ratio of risk to reward;
- (b) the cost effectiveness of the participation or acquisition;
- (c) the length of the payout period; and
- (d) the rate of return.

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

## **REGULATORY AND SHAREHOLDER APPROVAL**

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

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

- (a) file the CPC Filing Statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction, as well as the fact that the CPC Filing Statement is available on SEDAR, or

- (b) mail the CPC Information Circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

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

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

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

TSX Venture, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the Initial Listing Requirements of TSX Venture;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
  - (i) a Member firm of the Exchange;
  - (ii) registrants, unregistered corporate finance professionals, employee shareholders, and partners of such Member firm; and
  - (iii) Associates of any such person,
 collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

## **Initial Listing Requirements**

The Resulting Issuer must satisfy TSX Venture's Initial Listing Requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of TSX Venture.

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

The TSX Venture will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of TSX Venture have been satisfied, which includes the submission by the Sponsor of a sponsorship acknowledgment form where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms and consent forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with TSX Venture and any preliminary background searches that TSX Venture considers necessary or advisable must also be completed, before the trading halt will be lifted by TSX Venture.

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

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

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

TSX Venture may suspend from trading or delist the Common Shares where TSX Venture has not issued a Final Exchange Bulletin within twenty-four (24) months of the date of listing of the Common Shares on TSX Venture. In the event that the Common Shares of the Corporation are delisted by TSX Venture, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the Corporation or its remaining assets in some other manner. See "Business of the Corporation - Filings and Shareholder approval of a Non-Arm's Length Qualifying Transaction".

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on the NEX rather than be delisted. In order to be eligible to list on the NEX the Corporation must comply with the CPC Policy.

## USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of the Common Shares under the Offering will be \$200,000. Prior to the date of this prospectus, the Company issued 10,000,000 Common Shares at a price of \$0.05 per Common Share for total proceeds of \$500,000. The expenses and costs associated with the aforementioned sale of Common Shares and the organization of the Corporation was \$4,500. The expenses and costs of this Offering expected to be incurred will be \$85,000, including the Agent's Commission and the corporate finance fee. The Corporation estimates that \$610,500 will be available to it upon completion of the Offering.

The gross proceeds to be received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this Prospectus will be \$700,000.

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

Cash Proceeds raised prior to the Offering <sup>(1)</sup>	\$500,000
Expenses and costs relating to raising the cash proceeds	\$4,500
Cash Proceeds to be raised pursuant to the Offering <sup>(2)</sup>	\$200,000
Expenses and costs relating to the Offering (including listing fees, Agent's Commission, legal fees, audit fees and expenses)	\$85,000
<b>Estimated funds available (on Completion of the Offering)</b>	<b>\$610,500</b>
Funds Available for Identifying and Evaluating Assets or Business Prospects <sup>(3)</sup>	\$550,500
Estimated General and Administrative Expenses until Completion of a Qualifying Transaction <sup>(4)</sup>	\$60,000
<b>Total Net Proceeds</b>	<b>\$610,500</b>

Notes:

- (1) See "Prior Sales".
- (2) In the event the Agent (or a sub-agent, as applicable) exercises the Agent's Option and the holders exercise the Incentive Stock Options, there will be available to the Corporation a maximum of an additional \$140,000 which will be added to the working capital of the Corporation. There is no assurance that any of the options will be exercised. See "Plan of Distribution".
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire net proceeds amount of \$610,500 on identifying and evaluating assets or businesses, the Corporation may use the remaining funds to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.
- (4) See "Restrictions on Use of Proceeds". This amount assumes that it takes the Corporation the full 24 months to identify and complete a Qualifying Transaction.

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

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a minimum number

of assets or businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit. See "Business of the Corporation" and "Risk Factors".

### **Permitted Use of Funds**

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

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

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering or geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) agent's fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non-Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the proposed Qualifying Transaction, if required by the CPC Policy

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

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

Until completion by the Corporation of a Qualifying Transaction, not more than the lesser of: (i) 30% of the gross proceeds from the sale of all securities issued by the Corporation; and (ii) \$210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "Use of Proceeds - Permitted Use of Funds", listed above, include:

- (a) listing and filing fees (including SEDAR fees);

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

No proceeds will be used to acquire or lease a vehicle

### **Private Placements for Cash**

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of TSX Venture is obtained before issuance. Prior to the Completion of the Qualifying Transaction, TSX Venture generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

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

Except as permitted by the CPC Policy and described under the heading "Use of Proceeds - Restrictions on Use of Proceeds" and "Incentive Stock Options", the Corporation has not made and until the completion by the Corporation of a Qualifying Transaction, will not make any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Corporation or to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

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

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

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

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

## **PLAN OF DISTRIBUTION**

### **Agent and Agent's Compensation**

Pursuant to the agency agreement dated as of [●], 2018 between the Corporation and the Agent (the "**Agency Agreement**"), the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 2,000,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, subject to the terms and conditions in the Agency Agreement. The Agent will receive a cash commission equal to 10% of the aggregate gross proceeds from the sale of the Common Shares under the Offering. In addition, the Agency Agreement provides that the Corporation will pay the Agent a corporate finance fee of \$10,000, plus applicable taxes, and will reimburse the Agent for its expenses, including legal fees and taxes and disbursements incurred pursuant to the Offering, estimated to total \$10,000 (applicable taxes and disbursements).

The Corporation has also agreed to grant to the Agent, and to any sub-agents as the Agent may direct, upon the completion of the Offering, the non-transferable Agent's Option to purchase up to 200,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised only after the completion of a Qualifying Transaction and for a maximum period of twenty-four (24) months following the date of listing of the Common Shares on the TSX Venture. All of the Agent's Option is qualified under this prospectus. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

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

The total Offering is for 2,000,000 Common Shares for total gross proceeds of \$200,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2%, being 40,000 Common Shares of the total Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4%, being 80,000 Common Shares of the total number of Common Shares under the Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until \$200,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

### **Other Securities to be Qualified and Distributed**

The Corporation proposes to grant Incentive Stock Options to purchase 1,200,000 Common Shares to directors and officers, which is 10% of the issued and outstanding Common Shares of the Corporation on completion of the Offering, in accordance with the policies of the TSX Venture. The Common Shares to be issued upon the exercise of the Agent's Option and the Incentive Stock Options will be issued in addition to the 2,000,000 Common Shares being offered pursuant to this prospectus. The Agent's Option and the Incentive Stock Options will be qualified for distribution under this prospectus.

**Determination of Price**

The Offering Price of \$0.10 per Common Share was arbitrarily established by the board of directors of the Corporation.

**Listing Application**

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

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

**Subscriptions by and Restrictions on the Agent**

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

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

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

**Restrictions on Trading**

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Incentive Stock Options and the grant of the Agent's Option, trading in all securities of the Corporation is prohibited during the period between the date on which a receipt for the Corporation's preliminary prospectus is issued by the Principal Regulator and the time the Common Shares are listed for trading on the TSX Venture except, subject to prior acceptance of the TSX Venture, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

## DESCRIPTION OF SHARE CAPITAL

### General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, 10,000,000 Common Shares are issued and outstanding as fully paid and non-assessable, 1,200,000 Common Shares are reserved for issuance upon exercise of the Incentive Stock Options to be granted to directors and officers of the Corporation (10% of the issued and outstanding Common Shares as at the closing of the Offering reserved under the incentive stock option plan of the Corporation) and 200,000 Common Shares are reserved for issuance upon exercise of the Agent's Option. See "Incentive Stock Options" and "Plan of Distribution".

The Corporation is also authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") without nominal or par value, of which, as at the date hereof, none have been issued.

### Common Shares

The holders of Common Shares are entitled to: (i) receive notice of and to vote at every meeting of shareholders of the Company and shall have one vote thereat for each such Common Share so held; (ii) receive such dividend as the directors may from time to time declare on the Common Shares, subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Corporation; and (iii) subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Corporation, receive the remaining property of the Corporation in the event of dissolution, liquidation or winding up of the Corporation or upon any distribution of the assets of the Corporation (other than by way of dividend out of monies properly applicable to the payment of dividends).

### Preferred Shares

The Preferred Shares may be issued in one or more series, and the directors of the Corporation are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. **The preferred shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation, dissolution or winding up of the Corporation.**

## CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the dates indicated:

<u>Capital</u>	<u>Authorized</u>	<u>Outstanding as at January 15, 2018<sup>(1)(2)(3)</sup></u>	<u>Outstanding as at the Date Hereof<sup>(2)(3)</sup></u>	<u>Outstanding After Giving Effect to the Offering<sup>(2)(3)</sup></u>
Common Shares	Unlimited	\$500,000 (10,000,000 Common Shares)	\$500,000 (10,000,000 Common Shares)	\$700,000 <sup>(4)</sup> (12,000,000 Common Shares)
Preferred Shares	Unlimited	Nil	Nil	Nil

Notes:

- (1) The deficit of the Corporation as at January 15, 2018, the date of the balance sheet of the Corporation included in this prospectus, was nil. As at January 15, 2018, the Corporation had not commenced commercial operations.
- (2) The Corporation has also reserved for issuance 10% of the issued and outstanding Common Shares from time to time for the incentive stock option plan of the Corporation. The Corporation intends to grant Incentive

Stock Options to purchase 1,200,000 Common Shares, which is 10% of the issued and outstanding Common Shares of the Corporation at the closing of the Offering. See "Incentive Stock Options".

- (3) The Corporation has also reserved for issuance up to 200,000 Common Shares to be issued upon exercise of the Agent's Option. See "Plan of Distribution".
- (4) This amount represents gross proceeds of this Offering and of prior issues of Common Shares, before the deduction of the expenses of the Offering estimated at \$85,000, which includes, the Agent's Commission, fees and expenses and other expenses and costs incurred by the Corporation. See "Use of Proceeds".

### INCENTIVE STOCK OPTIONS

The Corporation has adopted an incentive stock option plan in accordance with the policies of TSX Venture (the "**Stock Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time exercisable for a period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to consultants or employees conducting Investor Relations Activities (as such term is defined by TSX Venture) will not exceed 2% of the issued and outstanding Common Shares in any twelve (12) month period. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering. The board of directors determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture. If the holder ceases to be a director, officer, employee or consultant of the Corporation, such holder's options must also be exercised within the later of: (i) twelve (12) months after the Completion of the Qualifying Transaction; and (ii) ninety (90) days from the date of termination of employment or cessation with the Corporation, other than by reason of death. The price per Common Share set by the board of directors shall not be less than the last closing price of the Common Shares on TSX Venture prior to the date on which such option is granted, less the applicable discount permitted (if any) by TSX Venture. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares.

The Corporation intends to enter into stock option agreements granting the Incentive Stock Options concurrent with the completion of the Offering, and in any event within ninety (90) days of the issuance of a receipt for the final prospectus, as follows:

<u>Name</u>	<u>Number of Common Shares Under Option</u>	<u>Exercise Price Per Common Share</u>	<u>Expiry Date</u>
Al J. Kroontje	200,000	\$0.10	Ten years from the date of grant
G. Scott Paterson	200,000	\$0.10	Ten years from the date of grant
Gordon McMillan	200,000	\$0.10	Ten years from the date of grant
John A. McMahon	200,000	\$0.10	Ten years from the date of grant
Steven J. Landry	200,000	\$0.10	Ten years from the date of grant
V. E. Dale Burstall	200,000	\$0.10	Ten years from the date of grant
Total	1,200,000		

The Incentive Stock Options to be granted to the directors and officers to purchase an aggregate of 1,200,000 Common Shares at a price of \$0.10 per Common Share are qualified for distribution under this prospectus.

Any Common Shares acquired pursuant to the exercise of stock options prior to the Completion of the Qualifying Transaction must be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

### PRIOR SALES

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

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price Per Common Share</u>	<u>Aggregate Issue Price</u>	<u>Nature of Consideration Received</u>
December 14, 2017	1	\$0.05	\$0.05	Cash
January 9, 2018	9,999,999	\$0.05	\$499,999.95	Cash

The 10,000,000 Common Shares issued at a price of \$0.05 per share will be held in escrow. See "Escrowed Securities".

### ESCROWED SECURITIES

All 10,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share and all Common Shares that may be acquired by a Non-Arm's Length Party of the Corporation, either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to the Offering will be deposited with Computershare Trust Company of Canada under an escrow agreement dated as of [●], 2018 (the "**Escrow Agreement**"). The Escrow Agreement provides that the Common Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of TSX Venture.

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

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

The following table sets out, as at the date hereof, the number of Common Shares (the "**Escrowed Shares**"), which are held in escrow pursuant to the Escrow Agreement:

<u>Name and Municipality of Residence</u>	<u>Number of Shares Held in Escrow<sup>(1)</sup></u>	<u>Percentage of Shares Outstanding Prior to the Offering</u>	<u>Percentage of Shares After Giving Effect to the Offering<sup>(1)</sup></u>
Al J. Kroontje Calgary, Alberta	1,111,000	11.11%	9.26%
G. Scott Paterson Toronto, Ontario	1,111,000	11.11%	9.26%

<u>Name and Municipality of Residence</u>	<u>Number of Shares Held in Escrow<sup>(1)</sup></u>	<u>Percentage of Shares Outstanding Prior to the Offering</u>	<u>Percentage of Shares After Giving Effect to the Offering<sup>(1)</sup></u>
Gordon McMillan Oakville, Ontario	1,111,000	11.11%	9.26%
John A. McMahon Toronto, Ontario	1,111,000	11.11%	9.26%
Steven J. Landry Edmonton, Alberta	1,111,000	11.11%	9.26%
V. E. Dale Burstall Calgary, Alberta	1,111,000	11.11%	9.26%
Karen Stuve Calgary, Alberta <sup>(2)</sup>	3,334,000	33.34%	27.78%
<b>Total</b>	10,000,000	100%	83.33%

Note:

- (1) Assuming the shareholders who are a party to the Escrow Agreement do not acquire any Common Shares pursuant to the Offering or exercise their Incentive Stock Options prior to the Final Exchange Bulletin.
- (2) Held by Karen Stuve for the benefit of the Estate of Douglas M. Stuve. The Founders gifted the subscription funds used to purchase these Common Shares.

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

Under the Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

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

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

If a Final Exchange Bulletin is not issued, the Escrowed Shares will not be released. Pursuant to the Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds Escrowed Shares acquired at a price below the Offering Price under this Prospectus has irrevocably authorized and directed Computershare Trust Company of Canada to immediately:

- (a) cancel all of those Escrowed Shares upon the issuance by TSX Venture of a bulletin delisting the Common Shares; or

- (b) if the Corporation lists on NEX, either:
  - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties at a discount from the Offering Price, in accordance with section 11.2(a) of the CPC Policy; or
  - (ii) subject to majority shareholder approval of the Corporation, cancel an amount of Common Shares purchased by Non-Arm's Length Parties so that the average cost of the remaining Common Shares is at least equal to the Offering Price.

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

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

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

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

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of TSX Venture; or

- (b) the private placement is announced concurrently with the Agreement in Principle and:
- (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer;
  - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period; and
  - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

### PRINCIPAL SHAREHOLDERS

The only Persons who own, legally or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares, are as follows:

<u>Name and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Shares<sup>(1)</sup></u>	<u>Percentage of Shares Owned Before Giving Effect to the Offering</u>	<u>Percentage of Shares Owned After Giving Effect to the Offering<sup>(3)</sup></u>
Al J. Kroontje Calgary, Alberta	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
G. Scott Paterson Toronto, Ontario	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
Gordon McMillan Oakville, Ontario	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
John A. McMahon Toronto, Ontario	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
Steven J. Landry Edmonton, Alberta	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
V. E. Dale Burstall Calgary, Alberta	Direct	1,111,000 <sup>(2)</sup>	11.11%	9.26% <sup>(4)</sup>
Karen Stuve Calgary, Alberta	Direct	3,334,000 <sup>(5)</sup>	33.34%	27.78%

Notes:

- (1) These Common Shares are all held in escrow. See "Escrowed Securities".
- (2) These Common Shares are owned both of record and beneficially.
- (3) Assuming the shareholders do not acquire any Common Shares pursuant to the Offering, which the shareholders have indicated they do not intend to do.
- (4) In the event the shareholder exercises all Incentive Stock Options proposed to be granted to the shareholder (see "Incentive Stock Options"), the shareholder will own, or exercise control or direction over, 1,311,000 Common Shares representing 9.78% of the issued and outstanding Common Shares, calculated on a fully-diluted basis.
- (5) Held by Karen Stuve of record, for the benefit of the Estate of Douglas M. Stuve. The Founders gifted the subscription funds used to purchase these Common Shares.

As at the date hereof, the 6,666,000 Common Shares legally owned, directly or indirectly, or controlled by, all directors and officers as a group and their Associates and Affiliates, prior to giving

effect to the Offering or the exercise of the Incentive Stock Options or Agent's Option, represents 66.66% of the issued and outstanding Common Shares. After giving effect to the Offering and assuming no exercise of Incentive Stock Options or Agent's Option, the directors and officers as a group and their Associates and Affiliates will own or control 6,666,000 Common Shares representing approximately 55.55% of the issued and outstanding Common Shares, assuming the directors, officers and their Associates and Affiliates do not acquire any Common Shares pursuant to the Offering.

## DIRECTORS, OFFICERS, PROMOTERS AND ADVISORS

### General

The following are the names and municipalities of residence of the directors, officers, promoters and advisors of the Corporation, their position and offices with the Corporation, their principal occupations during the last five years and the number of Common Shares held by each such individual. See also "Management, Key Personnel and Advisors".

Name, Municipality of Residence and Position	Present Occupation and Position During the Last Five Years	Percentage and Number of Common Shares owned prior to Offering <sup>(2)</sup>	Percentage and Number of Common Shares owned after Offering <sup>(3) (4)</sup>
Al J. Kroontje <i>Calgary, Alberta</i> Chief Executive Officer, Director and Promoter	President of his private investment company, DAC Financial Group (1997) Inc., and President of Kasten Energy Inc. Currently, a director of several public companies listed on the TSX, the TSX Venture or the NEX board of the TSX Venture, including Lithium Chile Inc.	1,111,000 (11.11%)	1,111,000 (9.26%)
G. Scott Paterson <i>Toronto, Ontario</i> Technology Advisor	President of Paterson Partners, a venture capital entity focused on media and financial technologies, since 2002, and Executive Chairman of FutureVault Inc., a B2B2C white label data repository (personal, finance, legal) to facilitate information management, which he co-founded in 2015. Mr. Paterson also serves as Chairman of Los Angeles-based QYOU Media Inc. (TXSV:QYOU), as a Director of Lions Gate Entertainment (NYSE:LGF), as Lead Director of Giftagram Inc., and was previously the Chair of the board of directors of Toronto-based Symbility Solutions (TSXV:SY).	1,111,000 (11.11%)	1,111,000 (9.26%)
Gordon McMillan <sup>(1)</sup> <i>Oakville, Ontario</i> Director	President and director of FS Group Holdings Ltd. Prior to co-founding FS Group Holdings Ltd., Mr. McMillan was a co-founder, director and promoter of Pivot Technology Solutions, Inc., a technology solutions provider based in Carlsbad, California.	1,111,000 (11.11%)	1,111,000 (9.26%)
John A. McMahon <sup>(1)</sup> <i>Toronto, Ontario</i> Chief Financial Officer and Director	Managing Partner of Thought Launch Capital and Advisory based in Toronto. Prior thereto, Mr. McMahon held a number of senior banking roles within the investment industry. Mr. McMahon was Managing Director of Investment Banking for Industrial Alliance Securities. He also served as Vice Chairman and Head of Investment Banking for Mackie Research Capital Corporation.	1,111,000 (11.11%)	1,111,000 (9.26%)

Name, Municipality of Residence and Position	Present Occupation and Position During the Last Five Years	Percentage and Number of Common Shares owned prior to Offering <sup>(2)</sup>	Percentage and Number of Common Shares owned after Offering <sup>(3) (4)</sup>
Steven J. Landry <sup>(1)</sup> <i>Edmonton, Alberta</i> Director	Chief Executive Officer and Director of AutoCanada Inc. since April 1, 2016, and President of AutoCanada Inc. since March, 2017. Prior thereto, Mr. Landry served as the Senior Vice President and Chief Development Officer of ATCO Group (ATCO Ltd.) in Calgary, Alberta from April, 2014 until March, 2016. Mr. Landry joined ATCO in January, 2011 as the Managing Director and Chief Operating Officer of ATCO Australia Pty Ltd.	1,111,000 (11.11%)	1,111,000 (9.26%)
V. E. Dale Burstall <i>Calgary, Alberta</i> Corporate Secretary and Director	Partner at Burstall Winger Zammit LLP since 1994.	1,111,000 (11.11%)	1,111,000 (9.26%)

Note:

- (1) Member of the audit committee of the Corporation. The Corporation does not have a compensation committee or a corporate governance committee.
- (2) These Common Shares are owned both of record and beneficially.
- (3) Assuming that no Common Shares are purchased by these Persons under the Offering.
- (4) Before giving effect to the exercise of the Agent's Option and the exercise of the Incentive Stock Options.

In addition to any other requirements of the TSX Venture, the TSX Venture expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset. The directors and officers of the Corporation will devote the time required to achieve the goal of the Corporation to complete a Qualifying Transaction. It is anticipated that Mr. Kroontje and Mr. McMillan will dedicate approximately 5% of their working time and attention to the business activities of the Corporation and the balance of the directors will dedicate less than 5% of their working time and attention to the business activities of the Corporation. Time actually spent by the directors and officers of the Corporation will vary according to the needs of the Corporation.

### Corporate Cease Trade Orders or Bankruptcies

Mr. Kroontje was appointed a director of Kasten Energy Inc. (formerly Kasten Chase Applied Research Limited) the day before the Alberta Securities Commission issued a cease trade order on February 20, 2007 for failure to file its unaudited financial statements for the periods ending June 30, 2006 and September 30, 2006. Mr. Kroontje was not involved with the failure to file the required interim financial statements but rather, was appointed a director as part of the implementation of a restructuring plan. The cease trade order was subsequently revoked on March 28, 2008 as a result of those restructuring efforts.

Al J. Kroontje was a director of Cobalt Coal Ltd. ("**Cobalt**") from October 2009 until February 7, 2014. On October 5, 2012, the Alberta and British Columbia Securities Commissions issued cease trade orders as a result of Cobalt's failure to meet a deadline to file an updated technical report, compliant with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The technical report was filed

on the SEDAR website on November 15, 2012 and the commissions issued a full revocation on their respective trade orders on November 27, 2012.

Mr. Kroontje has been a director of Whitemud Resources Inc. ("**Whitemud**") since August, 2011. On December 3, 2010 the Alberta Securities Commission issued a cease trade order on Whitemud's securities for failure to file its interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended September 30, 2010. Similar orders were issued by the British Columbia Securities Commission on December 7, 2010, the Autorité des marchés financiers on December 7, 2010, the Ontario Securities Commission on December 8, 2010 and the Manitoba Securities Commission on January 21, 2011. The cease trade orders were subsequently revoked by the Alberta Securities Commission, the British Columbia Securities Commission, the Autorité des marchés financiers and the Ontario Securities Commission on April 3, 2013, and by the Manitoba Securities Commission on April 5, 2013. Mr. Kroontje was not involved with Whitemud when it failed to file the required continuous disclosure documents.

Mr. Burstall was a director of Ranger Canyon Energy Inc. until September 27, 2011, which was cease traded by the Alberta Securities Commission on May 21, 2009 and continues to be cease traded for failure to file financial statements, management discussion and analysis and certificates of annual filings for the year ended December 31, 2008 and subsequent periods. Mr. Burstall was the Secretary of Turnkey E&P Inc., which was cease traded on December 14, 2009 by the Alberta Securities Commission and continues to be cease traded for failure to file its interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended September 30, 2009. Similar orders were issued by the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Manitoba Securities Commission.

Mr. Burstall was the Secretary of Artevo Corporation, which had a receiver appointed over its affairs on or about December 19, 2009, was cease traded on February 4, 2010 by the Alberta Securities Commission and on February 5, 2010 by the British Columbia Securities Commission for failure to file its annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended September 30, 2009, and which was subsequently delisted by the TSX Venture on July 9, 2010. Mr. Burstall ceased to be Secretary of Artevo Corporation in December of 2009.

Mr. Burstall is a director of CanAsia Financial Inc. ("**CanAsia**") since March 25, 2015. On or about May 5, 2016, the Alberta Securities Commission and other jurisdictions cease traded CanAsia for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On or about September 27, 2017, the Alberta Securities Commission and other jurisdictions revoked CanAsia's cease trade order.

On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, V. E. Dale Burstall, along with three other individuals, was appointed a director of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015.

No other director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### Personal Bankruptcies

No director, insider, senior officer, executive officer or promoter of the Corporation, personal holding company of any such persons or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has within the 10 years before the date of this prospectus, as applicable, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

### Penalties or Sanctions

In December, 2001, Mr. Paterson reached a voluntary settlement with the Ontario Securities Commission in respect to administrative proceedings which included a suspension of his registration for two years and a one million dollar voluntary payment. There were no allegations that Mr. Paterson had violated any securities law, statute, regulation or policy statement.

No other director, senior officer, executive officer, promoter or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authority or entered into a settlement agreement relating to securities legislation, promotion or management of a publicly traded issuer, or theft or fraud or been subject to any other penalties or sanctions imposed by a court or regulating body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### Share Ownership

As at the date hereof, the 6,666,000 Common Shares legally owned, directly or indirectly, by the directors and officers as a group and their Associates and Affiliates, prior to giving effect to the Offering, represents 66.66% of the issued and outstanding Common Shares. After completion of the Offering, the 6,666,000 Common Shares to be legally owned, directly or indirectly, by the directors and officers as a group and their Associates and Affiliates will represent approximately 55.55% of the issued and outstanding Common Shares, assuming no directors or officers acquire any Common Shares pursuant to the Offering.

### Positions with Reporting Issuers

The following table sets out the proposed directors, officers, promoters and advisors of the Corporation that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Al J. Kroontje	Border Petroleum Limited	TSXV	Interim Chief Executive Officer and Director	May 2010	Present
	QYOU Media Inc. (formerly, Galleria Opportunities Ltd. and Galleria Opportunities Inc.)	TSXV	Interim President and Director	September 1994	March 2017
	Lithium Chile Inc. (formerly Kairos Capital Corporation)	TSXV	Director	May 2013	Present
	Whitemud Resources Inc.	TSXV	Director	August 2011	Present

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
	Cobalt Coal Ltd.	TSXV	Director	March 2007	February 2014
	PetroFrontier Corp.	TSXV	Director	December 2010	Present
	Polar Star Mining Corporation	TSX	Director	April 2009	December 2014
	Novus Energy Inc.	TSXV	Director	December 2004	January 2014
	Quantum International Income Corp. (formerly, E.G. Capital Inc. and National Construction Inc.)	TSXV	Director	July 2005	November 2013
	Pivot Technology Solutions (formerly, Acme Capital Corporation)	TSX	President and Director	January 2011	March 2013
G. Scott Paterson	QYOU Media Inc. (formerly, Galleria Opportunities Ltd. and Galleria Opportunities Inc.)	TSXV	Chairman and Director	March 2017	Present
	Engagement Labs Inc.	TSXV	Chairman	January 2014	Present
	Apogee Opportunities Inc.(formerly Apogee Silver Ltd.)	CVE	Director	March 2011	Present
	Symbility Solutions Inc.	TSX	Director	May, 2004	Present
	Lionsgate Entertainment Corp.	NYSE	Director	July 1997	Present
	Neulion, Inc.	TSX	Director	January 2012	June 2015
	Gale Force Petroleum	TSXV	Director	May 2012	November 2013
Gordon McMillan	LOGiQ Asset Management Inc.	TSX	Director	April 2017	Present
	Pivot Technology Solutions (formerly, Acme Capital Corporation)	TSX	Director	February 2013	June 2016
Steven J. Landry	AutoCanada Inc.	TSX	Chief Executive Officer	April 2016	Present
	ATCO Ltd.	TSX	Senior Vice President and Chief Development Officer	April 2014	March 2016
	Canadian Utilities Limited	TSX	Senior Vice President and Chief Development Officer	April 2014	March 2016
V. E. Dale Burstall	Karnalyte Resources Inc.	TSX	Secretary	March 2008	January 2016
	Newton Energy Corporation	TSXV-NEX	Director and Secretary	February 2013	Present
	Standard Exploration Inc.	TSXV	Director and Secretary	July 2013	Present
	Marksmen Energy Inc.	TSXV	Director and Secretary	October 2011	Present
	CanAsia Financial Inc.	TSXV-NEX	Director	March 2015	Present
	QSolar Limited	CSE & FSE	Director	April 2015	June 2015

Note:

- (1) TSX means the Toronto Stock Exchange, TSXV means the TSX Venture, TSXV-NEX means the NEX board of the TSX Venture, CSE means the Canadian Securities Exchange, FSE means the Frankfurt Securities Exchange and NYSE means the New York Stock Exchange.

## MANAGEMENT, KEY PERSONNEL AND ADVISORS

The following is a brief description of the management, key personnel and advisors of the Corporation.

### **Al J. Kroontje**

Al J. Kroontje, age 62, is Chief Executive Officer and a Director of the Corporation.

Mr. Kroontje is the President of his private investment company, DAC Financial Group (1997) Inc., and the President of Kasten Energy Inc. Mr. Kroontje has been involved with numerous corporate start-ups and corporate restructurings. Mr. Kroontje holds a Bachelor of Science degree (Chemical Engineering) from the University of Waterloo, Ontario. Mr. Kroontje also holds a P. Eng designation from the Association of Professional Engineers and Geologists of Alberta but is currently a non-practicing engineer.

Mr. Kroontje serves as a Director and Officer of several public companies and is currently a Director of PetroFrontier Corp., Lithium Chile Inc. (formerly Kairos Capital Corporation), Border Petroleum Limited and Whitemud Resources Inc., all public companies listed on TSX Venture.

Over the past 10 years, Mr. Kroontje has been a past director of several public companies, including Novus Energy Inc., QYOU Media Inc. (formerly Galleria Opportunities Ltd. and Galleria Opportunities Inc.), Polar Star Mining Corporation and Cobalt Coal Ltd., public companies that were listed on the TSX Venture or on the TSX. He is also a past director of Deepwell Energy Services Ltd., the operating subsidiary of Deepwell Energy Services Trust, a public oil and gas services trust that was listed on the TSX.

Mr. Kroontje became an immediate friend of Big Dougie when Big Dougie moved to Calgary, Alberta in 1993. While Mr. Kroontje is able to clearly recall Big Dougie's generosity and gregarious nature, he cannot begin to recall all of the wonderful times he and his family shared with Big Dougie and his family. Mr. Kroontje considered Big Dougie his best friend.

### **G. Scott Paterson**

G. Scott Paterson, age 53, is the Technology Advisor to the Corporation. Mr. Paterson is not an officer of the Corporation.

Mr. Paterson is a technology entrepreneur focused on fintech and media. He currently serves as a Director of Santa Monica-based Lions Gate Entertainment (NYSE:LGF) and Chair of the Company's Audit & Risk Committee. Mr. Paterson was the second investor in Lionsgate when the company was founded in 1997 and is the only person remaining from the company's inception.

Mr. Paterson serves as Executive Chairman of Toronto-based FutureVault Inc. which he co-founded in 2015. FutureVault is a B2B2C white label data repository (personal, finance, legal) to facilitate information management. Mr. Paterson serves as Chairman of Los Angeles-based QYOU Media Inc. (TSXV:QYOU), which he co-founded in 2014. QYOU Media is a global leader in the curation, licensing and packaging of short form video for distribution through cable, satellite and networks globally. In 2004, Mr. Paterson backed start-up Toronto-based Symbility Solutions (TSXV:SY), a cloud-based SaaS provider of software to the insurance industry, and was Chair of the Board for 13 years. Mr. Paterson is also the Lead Director of Toronto and Los Angeles-based Giftagram, a rapidly growing e-commerce mobile gifting application.

Mr. Paterson first met Big Dougie in the early 90s utilizing his skills as a top venture lawyer. Mr. Paterson valued Mr. Stuve as a close confidant and adored him as a friend thereafter.

### **Gordon McMillan**

Gordon McMillan, age 50, is a Director of the Corporation.

Mr. McMillan has been an entrepreneur in the Canadian financial services industry since 1994. He was the co-founder and Chief Executive Officer of Triax Capital Corporation and Skylon Capital Corporation, both of which were sold to large industry consolidators. Mr. McMillan was also a shareholder and director of Fairway Capital Management Inc. and i3 Advisors Inc., and the Chairman of Impax Funds Management Ltd. Mr. McMillan has served on the boards of numerous companies and publicly listed investment funds. Mr. McMillan was also a co-founder of Pivot Technology Solutions ("**Pivot**") and served on the Pivot board of directors from February, 2013 until June of 2016. Currently Mr. McMillan serves on the board of LOGiQ Asset Management Inc., a TSX listed asset management firm. Mr. McMillan holds a Bachelor of Laws degree from Queen's University in Kingston, Ontario and is a non-practicing member of the Law Society of Upper Canada.

Mr. McMillan was a friend and business associate of Big Dougie since starting law school together in 1988.

### **John A. McMahon**

John A. McMahon, age 54, is the Chief Financial Officer and a Director of the Corporation.

John McMahon has spent the past 20 years of his career in investment banking. Currently, Mr. McMahon is the Managing Partner of Thought Launch Capital and Advisory based in Toronto. Prior to creating the company, Mr. McMahon held a number of senior banking roles within the financial services industry, primarily involving investment banking activities. Mr. McMahon was the Managing Director of Investment Banking for Industrial Alliance Securities and also served as the Vice Chairman and Head of Investment Banking for Mackie Research Capital Corporation.

Mr. McMahon was a friend and business associate of Big Dougie since joining the investment banking business in September of 1996.

### **Steven J. Landry**

Steven J. Landry, age 59, is a Director of the Corporation.

Mr. Landry has been the Chief Executive Officer and Director of AutoCanada Inc. since April 1, 2016, and the President of AutoCanada Inc. since March, 2017.

Prior thereto, Mr. Landry served as the Senior Vice President and Chief Development Officer of ATCO Group (ATCO Ltd.) in Calgary, Alberta from April, 2014 until March, 2016. He joined ATCO Group in January of 2011 as the Managing Director and Chief Operating Officer for ATCO Australia (ATCO Australia Pty Ltd.). In this role, Mr. Landry lived in Perth, Australia and was responsible for management of all Australian operations including power, gas and structures and logistics business units.

Prior to joining ATCO Group and ATCO Australia, Mr. Landry spent 27 years at Chrysler Group (1982-2009) in various global positions including Chief Executive Officer and President of DaimlerChrysler Canada and President of Chrysler Europe, ultimately becoming an Officer of Chrysler LLC, in Detroit, Michigan, as Executive Vice President of North America.

Mr. Landry has an executive Masters in Business Administration degree from Michigan State University and a Bachelor of Commerce degree from Saint Mary's University in Halifax, Nova Scotia. Mr. Landry has previously been a guest lecturer at the University of Western Australia, a Board Governor of Saint Mary's University and the Chairman of the National Automotive Council of Canada.

Mr. Landry and Big Dougie became fast friends in 1996 enjoying many years of sporting events and friendship. Big Dougie was Mr. Landry's personal counsel.

### **V. E. Dale Burstall**

V. E. Dale Burstall, age 57, is the Corporate Secretary and a Director of the Corporation.

Mr. Burstall practices in the area of commercial law with an emphasis on securities law. Mr. Burstall's practice includes all aspects of securities law from both the perspective of an issuer or an underwriter, including initial public offerings, secondary financing, mergers and acquisitions, all dealings with regulators including stock exchanges and securities commissions, and corporate governance. He also practices in business and corporate commercial law, including shareholder agreements, and managing shareholder disputes. Mr. Burstall is a director or secretary of several issuers, both listed and private. Mr. Burstall is also a director or trustee of charitable organizations. In addition, Mr. Burstall has in the past and continues to sit on certain advisory committees of the ASC and the TSX Venture.

Mr. Burstall was a friend and partner of Big Dougie's at Burstall Winger Zammit LLP.

### **CONFLICTS OF INTEREST**

V. E. Dale Burstall, the Corporate Secretary and a director of the Corporation, is a partner with Burstall Winger Zammit LLP, which provides legal services to the Corporation on a fee for services basis.

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoters are engaged and will continue to be engaged, directly or indirectly, with corporations or businesses which may be in competition with the Corporation for businesses or assets in order to complete a Qualifying Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta). See "Interests of Directors, Officers and Others in Material Transactions".

### **REMUNERATION OF DIRECTORS AND OFFICERS**

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

- (a) remuneration, which includes but is not limited to:
  - (i) salaries;
  - (ii) consulting fees;
  - (iii) management contract fees or directors' fees;

- (iv) finders fees;
  - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Corporation may reimburse a Non-Arm's Length Party for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers may also be granted stock options to purchase Common Shares. See "Directors, Officers and Promoters", "Prior Sales", "Principal Shareholders", and "Incentive Stock Options".

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

### **PROMOTER**

Al J. Kroontje may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Kroontje has subscribed for and received Common Shares and will be granted stock options to purchase Common Shares. See "Directors, Officers and Promoters", "Prior Sales", "Principal Shareholders", and "Incentive Stock Options".

### **INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of directors, officers, and any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation, other than each of the directors has subscribed for common Shares and will be granted the Incentive Stock Options.

### **MATERIAL CONTRACTS**

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. The Escrow Agreement among the Corporation, Computershare Trust Company of Canada and certain shareholders of the Corporation. See "Escrowed Securities".
2. The Agency Agreement between the Corporation and the Agent. See "Plan of Distribution".
3. A registrar and transfer agency agreement dated as of February 12, 2018 between the Corporation and Computershare Trust Company of Canada. See "Auditors, Transfer Agent and Registrar".

Copies of these agreements will be available for inspection at the offices of the Corporation's counsel, Burstall Winger Zammit LLP, at Suite 1600, 333 - 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 2Z1, attention: Michael Ginevsky, at any time during ordinary business hours while the securities offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

## DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of approximately 41.67% or \$0.0417 per Common Share on the basis of there being 12,000,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

## RISK FACTORS

**Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The following is a list of risk factors that a prospective investor should consider before subscribing for the Common Shares.**

- (a) The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. The Corporation has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.
- (b) An investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development.
- (c) The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- (d) After completion of the Offering, an investor will suffer an immediate dilution to its investment of 41.67% or \$0.0417 per Common Share.
- (e) There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.
- (f) Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business, other than the identification and evaluation of potential Qualifying Transactions.
- (g) The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction.
- (h) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.
- (i) Completion of a Qualifying Transaction is subject to a number of conditions, including acceptance by TSX Venture and, in certain circumstances, Majority of the Minority Approval.
- (j) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders is required

by CPC Policy and has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

- (k) Upon the public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before TSX Venture has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction.
- (l) Neither TSX Venture nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.
- (m) Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to TSX Venture in the time periods required.
- (n) TSX Venture will generally suspend trading in the Common Shares or delist the Corporation in the event that TSX Venture has not issued a Final Exchange Bulletin within (twenty four) 24 months from the date of listing of the Common Shares.
- (o) In the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.
- (p) The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.
- (q) Subject to prior TSX Venture acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.
- (r) If the Corporation does not list the Common Shares on the TSX Venture prior to the time of closing in the manner contemplated in this prospectus under the heading "Eligibility for Investment", adverse tax consequences may arise with respect to any Common Shares held in RRSPs, RRIFs, TFSA's, deferred profit sharing plans and registered education savings plans.

**As a result of the above factors, the Offering is only suitable to investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares. See "Management, Key Personnel and Advisors", "Directors, Officers and Promoters", "Conflicts of Interest" and "Use of Proceeds".**

## LEGAL PROCEEDINGS

Management of the Corporation is not aware of any legal proceedings outstanding, pending, or threatened as at the date hereof, by or against the Corporation.

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

The Agent for the Offering is PI Financial Corp.

The Corporation is not a related or connected party (as such terms are defined in National Instrument 33 – 105 Underwriting Conflicts) to the Agent.

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

The legal counsel of the Corporation is Burstall Winger Zammit LLP, Suite 1600, 333 - 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 2Z1.

Other than V. E. Dale Burstall, the Corporate Secretary and a director of the Corporation, who owns 1,111,000 Common Shares, the partners and associates of Burstall Winger Zammit LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

Legal counsel to the Agent is Miller Thomson LLP, 400 – 725 Granville Street Vancouver, British Columbia V7Y 1G5.

The partners and associates of Miller Thomson LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

The partners and associates of MNP LLP, the auditors of the Corporation, do not own any Common Shares.

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

The auditors of the Corporation are MNP LLP of 640 - 5th Avenue SW, Suite 1500, Calgary, Alberta, T2P 3G4.

Computershare Trust Company of Canada, through its principal offices at 530 - 8 Ave SW, Calgary, Alberta, T2P 3S8, is the transfer agent and registrar for the Common Shares.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Burstall Winger Zammit LLP, counsel to the Corporation, based on the current provisions of the Income Tax Act (Canada) (the "**Tax Act**"), the regulations thereunder in force as of the date hereof and all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided that the Common Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the Exchange) at the time of closing of the Offering, the Common Shares issued pursuant to the Offering will be "qualified investments" for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") or a tax-free savings account ("**TFSA**").

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the subscriber of an RESP or the annuitant under an RRSP or RRIF will be subject to a penalty tax in respect of Common Shares held in a TFSA, RDSP, RESP, RRSP or RRIF if such Common Shares are a "prohibited investment" for a TFSA, RDSP, RESP, RRSP or RRIF. Generally, the Common Shares would be considered to be a "prohibited investment" if the holder of a TFSA or RDSP, the subscriber of an RESP or the annuitant of an RRSP or RRIF, as the case may be: (i) does not deal at arm's length with the Corporation for the purposes of the Tax Act; or (ii) has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. A "significant interest" generally includes, but is not limited to, the ownership of 10% or

more of any class of issued shares of a corporation. **Prospective purchasers who intend to hold Common Shares in their TFSA, RDSP, RESP, RRSP or RRIF should consult their own tax advisors having regard to their own particular circumstances.**

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

Securities legislation in the provinces of Alberta, British Columbia and Ontario 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. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**FINANCIAL STATEMENTS OF THE CORPORATION**

**(Financial statements attached)**

**Big Dougie Capital Corp.**  
**Financial Statements**

*For the period from December 14, 2017 to January 15, 2018*

## **Independent Auditors' Report**

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To the Directors of Big Dougie Capital Corp.

We have audited the accompanying financial statements of Big Dougie Capital Corp. which comprise the statement of financial position as at January 15, 2018, and the statements of changes in shareholders' equity and cash flows for the period from December 14, 2017 (date of incorporation) to January 15, 2018, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Big Dougie Capital Corp. as at January 15, 2018 and its cash flows for the period from December 14, 2017 (date of incorporation) to January 15, 2018 in accordance with International Financial Reporting Standards.

Calgary, Alberta

•, 2018

Chartered Professional Accountants

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**Big Dougie Capital Corp.**  
**Statement of Financial Position**  
*As at January 15, 2018*

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**Assets**

**Current**

Cash (Note 5)	\$	479,500
Deferred financing costs (Note 6)		25,000

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<b>Total assets</b>	<b>\$</b>	<b>504,500</b>
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**Liabilities**

**Current**

Accounts payable and accruals	\$	4,500
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**Shareholders' Equity**

Share capital (Note 7)	\$	500,000
Deficit		-

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Total shareholders' equity		500,000
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<b>Total liabilities and shareholders' equity</b>	<b>\$</b>	<b>504,500</b>
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Subsequent event (Note 11)

Approved on behalf of the Board

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Director

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Director

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

**Big Dougie Capital Corp.**  
**Statement of Changes in Shareholders' Equity**

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	Share Capital (\$)	Deficit (\$)	Shareholders' Equity (\$)
At incorporation December 14, 2017	-	-	-
Net loss	-	-	-
Share issuance ( <i>Note 7</i> )	500,000	-	500,000
<b>As at January 15, 2018</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>

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

**Big Dougie Capital Corp.**  
**Statement of Cash Flows**

*For the period from December 14, 2017 (date of incorporation) to January 15, 2018*

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**Cash provided by the following activities:**

**Operating activities**

Net loss	\$	-
Change in non-cash working capital:		
Accounts Payable and accruals		4,500
Deferred financing costs (Note 6)		(25,500)
Cash flows used in operating activities	\$	(20,500)

**Financing activities**

Issuance of common shares (Note 7)	\$	500,000
Cash flows provided by financing activities		500,000
<b>Increase in cash</b>		<b>479,500</b>
<b>Cash, beginning of period</b>		<b>-</b>
<b>Cash, end of period</b>	<b>\$</b>	<b>479,500</b>

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

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

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### 1. Incorporation and operations

Big Dougie Capital Corp. (the "Company") was incorporated on December 14, 2017 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office and registered office of the Company is located at Suite 1600, Dome Tower, 333 – 7<sup>th</sup> Ave SW, Calgary Alberta, T2P 2Z1.

These financial statements were authorized for issue in accordance with a resolution of the directors on •, 2018.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

### 2. Basis of preparation

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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning December 14, 2017. These financial statements represent the Company's first presentation of financial position under IFRS.

#### ***Basis of measurement***

These financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention.

#### ***Use of estimates and judgments***

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

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### 3. Significant accounting policies

#### **Cash**

Cash consists of the proceeds generated from share receipts, which is being held in trust by legal counsel for the Company.

#### **Deferred financing costs**

Financing costs related to the Company's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to operations.

#### **Share-based payments**

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at their fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based payment expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

#### **Taxes**

Tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

#### *Current tax*

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred tax*

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

#### **Non-derivative financial instruments**

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

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### 3. Significant accounting policies (continued)

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

#### Financial assets at fair value through profit or loss

An instrument is measured at fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category.

#### Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Accounts payable and accruals are included in this category.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

#### Accounting standards issued but not yet applied

The Company has reviewed amendments to accounting pronouncements that have been issued but are not yet effective, and determined that the following may have a future impact on the Company.

- IFRS 16 Leases issued on January 13, 2016 by the IASB replaces IAS 17 Leases. The new standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than twelve months. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 "Revenue from Contracts with Customers" at or before the initial adoption date of January 1, 2018.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

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### 3. Significant accounting policies (continued)

In April 2016, the IASB issued its final amendments to IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations. The standard is required to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 9 – “Financial Instruments”. IFRS 9 is the new standard on classification, measurement and impairment of financial assets and liabilities that will replace IAS 39, “Financial Instruments: Recognition and Measurements”. The latest version of IFRS 9 was issued in July 2014. The package of improvements introduced by IFRS 9 includes a revised model for classification and measurement based on business model and cash flow tests, a single, forward-looking ‘expected loss’ impairment model and a substantially revised risk based approach to hedge accounting. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018.

The Company is currently assessing and quantifying the effect of the impact of adoption of these standards and does not believe these standards would have an impact on the Company based on current operations.

### 4. Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

#### Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

#### Judgements

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company’s deductible temporary differences which are based on management’s judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

#### 4. Significant accounting estimates and assumptions (continued)

##### Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

##### Stock options

The Company records stock-based payments based on management's judgement of the expected exercise date of options which is impacted by the timing of completion of the qualifying transaction.

#### 5. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

#### 6. Deferred financing costs

Deferred financing costs, consisting of professional and agency fees, are incurred for the public offering (Note 11). They will be charged against share capital upon the issuance of shares or written off if the share offering is not completed.

#### 7. Share capital

##### Authorized:

- Unlimited number of voting Common Shares
- Unlimited number of non-voting Preferred shares issuable in series

##### Issued: Common Shares

	Number of Shares	\$
Issued on incorporation	-	-
Issued at \$0.05 per share	10,000,000	500,000
As at January 15, 2018	10,000,000	500,000

All of the common shares issued are held in escrow. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin (Note 11) and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. These common share, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

### 7. Share capital (continued)

#### Stock Option Plan

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. The options are exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

As at January 15, 2018, no stock options had been issued.

### 8. Income taxes

The Company has gross timing differences related to the following:

Deferred financing costs	\$	20,000
Loss carry-forwards		5,000
Total timing differences	\$	25,000

As at January 15, 2018, the Company has an estimated loss carry-forward balance of \$5,000 available to reduce future years' income for tax purposes. These losses, if not fully utilized, will expire in 2037.

### 9. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

For the period from December 14, 2017 (date of incorporation) to January 15, 2018

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### 10. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

#### Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

#### Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

#### Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 15, 2018, the Company had a cash balance of \$479,500 to pay liabilities of \$4,500.

#### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

# Big Dougie Capital Corp.

## Notes to the Financial Statements

*For the period from December 14, 2017 (date of incorporation) to January 15, 2018*

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### 11. Subsequent event

The Company intends to file a prospectus with the securities regulatory authorities in the provinces of Alberta, British Columbia and Ontario, and pursuant to an Agency Agreement (the "Agency Agreement") to be entered into between the Company and PI Financial Corp. (the "Agent"), to offer 2,000,000 Common Shares at \$0.10 (the "Offering") per share to the public for total estimated proceeds of \$200,000 (before transaction costs). The Agent will be granted a non-transferable option to purchase up to 10% of the total number of common shares issued at a price of \$0.10 per share, and expiring 24 months from the date the common shares of the Company are listed on the TSX Venture Exchange. The Company also intends to grant 1,200,000 share options immediately after the closing of the Offering to directors and officers under the Company's share option plan at a price of \$0.10 per share and an expiry date of ten years from the date of grant.

The Company will pay the agent a commission equal to 10% of the gross proceeds, a corporate finance fee of \$10,000 and reasonable expenses. Including the professional and agency fees to be incurred, Agent's commission, additional professional, listing and filing fees to complete the Offering are estimated \$85,000, including deferred financing costs currently recorded in the Statement of Financial Position.

**CERTIFICATE OF THE CORPORATION**

Dated: February 16, 2018

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

"Al J. Kroontje"

Al J. Kroontje  
Chief Executive Officer

"John A. McMahon"

John A. McMahon  
Chief Financial Officer

**ON BEHALF OF THE BOARD**

"Gordon McMillan"

Gordon McMillan  
Director

"Steven J. Landry"

Steven J. Landry  
Director

**CERTIFICATE OF THE PROMOTER**

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

"Al J. Kroontje"

Al J. Kroontje

**CERTIFICATE OF THE AGENT**

Dated: February 16, 2018

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

**PI FINANCIAL CORP.**

Per: *"Jim Locke"*

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Jim Locke