

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.

FINAL PROSPECTUS

INITIAL PUBLIC OFFERING

July 26, 2019

MJ INNOVATION CAPITAL CORP. (a Capital Pool Company)

\$400,000 or 2,000,000 Common Shares

PRICE: \$0.20 per Common Share

**Agent's Warrants (as defined herein)
Incentive Stock Options (as defined herein)**

The purpose of this offering is to provide MJ Innovation Capital Corp. (the "**Corporation**") with a minimum amount of funds in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction (as hereafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange (the "**Exchange**") and, in the case of a Non Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval (as hereafter defined) in accordance with Exchange Policy 2.4 entitled "**Capital Pool Companies**" (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction (as hereafter defined), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds". The Corporation hereby offers through its agent, Canaccord Genuity Corp. (the "**Agent**"), 2,000,000 common shares (the "**Common Shares**") at a price of \$0.20 per Common Share for gross proceeds of \$400,000 (the "**Offering**").

This Offering is made on a commercially reasonable basis pursuant to an agency agreement (the "**Agency Agreement**") dated as of July 26, 2019 between the Corporation and the Agent and is subject to the receipt by the Corporation of a minimum subscription of 2,000,000 Common Shares for aggregate total gross proceeds to the Corporation of \$400,000 and subject to approval of certain legal matters by Aird & Berlis LLP, Toronto, Ontario, on behalf of the Corporation, and by Miller Thomson LLP on behalf of the Agent. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for the Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement and will not be released until a minimum of \$400,000 has been deposited and the Agent has consented to such release. If subscriptions for 2,000,000 Common Shares have not been subscribed for within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the Agent and Persons or companies who subscribed within that period, and in any event, not later than 180 days after the date of the final prospectus, all subscription proceeds will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Distribution

| | Number of Common Shares | Price to the Public | Agent's Commission ⁽¹⁾ | Net Proceeds to the Corporation ⁽²⁾ |
|-------------------------------|----------------------------|---------------------|-----------------------------------|---|
| Per Common Share | 1 | \$0.20 | \$0.02 | \$0.18 |
| Total Offering ⁽³⁾ | 2,000,000 | \$400,000 | \$40,000 | \$360,000 |

Notes:

(1) The Agent will receive a cash commission (the "**Agent's Commission**") equal to 10% of the gross proceeds of the Offering, payable at closing. The Agent will also be paid an administration fee of \$15,000, and will be reimbursed by the Corporation for its reasonable expenses and legal fees, plus applicable taxes and disbursements. In addition, the Agent will be granted non-transferable warrants (the "**Agent's Warrants**") to

purchase 200,000 Common Shares, representing 10% of the Common Shares sold in connection with this Offering, at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, which Agent's Warrants are qualified for distribution under this prospectus. See "Plan of Distribution".

- (2) Before deducting the costs and expenses of this Offering (and certain pre-offering costs), estimated in the aggregate amount of \$109,142, which includes legal and audit fees and other expenses of the Corporation, the Agent's administration fee, the Agent's expenses and legal fees, the listing fee payable to the Exchange and filing fees payable to the Commissions, but does not include the Agent's Commission. See "Use of Proceeds".
- (3) A total of 2,000,000 Common Shares are offered hereunder, not including the Agent's Warrants and the incentive stock options (the "**Incentive Stock Options**") to be granted at the closing of the Offering to certain directors of the Corporation to purchase up to 305,000 Common Shares in the event the Offering is completed, at a price of \$0.20 per Common Share for a period of ten years from the date of grant, which Incentive Stock Options are qualified for distribution under this prospectus. See "Plan of Distribution" and "Options to Purchase Securities".

Market for Securities

There is currently no market through which the Common Shares may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors". The Exchange has conditionally accepted the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the 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, 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 or the United States of America.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants, and the grant of the Incentive Stock Options, trading in all securities of the Corporation shall not be permitted during the period between the date a receipt for the preliminary prospectus is issued by each of the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission (collectively, the "**Commissions**") and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable Commissions grant a discretionary order.

Risk Factors

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 Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Corporation was only recently incorporated and does not own any ongoing business operations, and has no assets other than cash. The Corporation has not identified a proposed Qualifying Transaction and has not entered into an Agreement in Principle. There is no assurance that the Corporation will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer additional dilution. The directors and officers of the Corporation will only be devoting a portion of their time to the affairs of the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. The directors and officers of the Corporation currently beneficially own, directly or indirectly, 100% of the issued and outstanding Common Shares and will own 34.4% of the issued and outstanding Common Shares assuming completion of the Offering. See "Business of the Corporation", "Management of the Corporation", "Directors, Officers and Promoter", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the date of listing. The Commissions may issue an interim cease trade order against the Corporation's securities if the Common Shares are suspended from trading on the Exchange, and

will issue such an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and outstanding Common Shares held by Insiders that are Discount Seed Shares within the meaning of the CPC Policy. See “Risk Factors”.

In the event that management, directors or experts of the Corporation reside outside of Canada or the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management, directors or experts resident outside of Canada or upon the foreign business or the Resulting Issuer (as defined herein) and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities or other laws in Canada. See “Business of the Corporation”, “Risk Factors” and “Conflicts of Interest”.

Subscribers acquiring Common Shares under this Offering will suffer an immediate dilution of 17.2% or \$0.0344 per Common Share assuming completion of the Offering, based on the total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation. See “Capitalization”, “Dilution” and “Risk Factors”.

AS A RESULT OF THE AFOREMENTIONED RISK FACTORS WHICH ARE ONLY A SUMMARY THEREOF, THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE WILLING TO RELY SOLELY ON THE MANAGEMENT OF THE CORPORATION AND WHO CAN AFFORD TO RISK A LOSS OF THEIR ENTIRE INVESTMENT. SEE “RISK FACTORS”.

Maximum Investment

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% or 40,000 of the total Common Shares in the Offering. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the Common Shares offered under this prospectus, being 80,000 Common Shares under the Offering.

Receipt of Subscriptions

Subscriptions will be received subject to rejection or allotment in whole or in part by the Corporation and the right is reserved to close the subscription books at any time without notice. It is expected that the Common Shares will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. Purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

**Canaccord Genuity Corp.
2200-609 Granville Street
Vancouver, BC, V7Y 1H2
Telephone: (604) 643-7300
Fax: (604) 643-7606**

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GLOSSARY

“Affiliate” means a Company that is affiliated with another Company as described below.

A Company is an **“Affiliate”** of another Company if:

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

A Company is **“controlled”** by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

“Agency Agreement” means the agency agreement dated as of July 26, 2019 between the Corporation and the Agent.

“Agent” means Canaccord Genuity Corp.

“Agent’s Commission” means the cash commission equal to 10% of the gross proceeds of the Offering, payable by the Corporation to the Agent at the closing of the Offering.

“Agent’s Warrants” means the non-transferable warrants to be granted by the Corporation to the Agent to purchase 200,000 Common Shares, representing 10% of the Common Shares sold in connection with this Offering, at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange.

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

“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, means

- (a) an issuer of which the Person 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,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person 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 the Exchange with respect to that Member firm, Member corporation or holding company.

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

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

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

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

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

“CPC” means a corporation:

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

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

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

“Discount Seed Share Escrow Agreement” means the Exchange Form 2F escrow agreement among the Corporation, the Escrow Agent and the initial shareholders of the Corporation.

“Escrow Agent” means TSX Trust Company.

“Exchange” means the TSX Venture Exchange Inc.

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

“Incentive Stock Options” mean options to be granted at the closing of the Offering to the directors and executive officers of the Corporation to purchase up to 305,000 Common Shares, at a price of \$0.20 per Common Share for a period of ten years from the date of grant.

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

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

“IPO” means an initial public offering.

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

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

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

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

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

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

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

“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 IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder - a Person or Company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a 10% holder - a Person or Company that:
 - (i) holds securities carrying more that 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 Principal’s 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) either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv) above;
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm’s length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm’s length of the Member; and
- (d) The Member 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 Member determines that:
 - (i) the Person is an Affiliate or Associate of the Member acting at arm’s length of the Member;

- (ii) the Associate or Affiliate has a separate corporate and reporting structure;
- (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
- (iv) the Member maintains a list of such excluded Persons.

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

“Promoter” has the definition prescribed by applicable securities laws.

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

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

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.

“Sponsor” has the meaning specified in Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements.

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

“Transfer Agent, Registrar and Disbursing Agent Agreement” means the transfer agent, registrar and disbursing agent agreement to be entered into between the Corporation and the Escrow Agent.

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

PROSPECTUS SUMMARY

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

- ISSUER:** MJ Innovation Capital Corp.
- OFFERING:** A total of 2,000,000 Common Shares are being offered under this prospectus at a price of \$0.20 per Common Share for gross proceeds of \$400,000 (the “**Offering**”). This Offering is being made on a commercially reasonable basis by the Agent on behalf of the Corporation. In addition, the Corporation will grant to the Agent non-transferable warrants (the “**Agent’s Warrants**”) to purchase 200,000 Common Shares, representing 10% of the Common Shares sold in connection with this Offering, at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. This prospectus also qualifies for distribution: (i) the Common Shares issuable upon exercise of the Agent’s Warrants; and (ii) the Incentive Stock Options to be granted at the closing of the Offering to certain directors of the Corporation which entitle the holders thereof to purchase up to 305,000 Common Shares, at a price of \$0.20 per Common Share for a period of ten years from the date of grant. See “Plan of Distribution” and “Options to Purchase Securities”.
- PRICE:** \$0.20 per Common Share.
- BUSINESS OF THE CORPORATION:** The Corporation is a capital pool company created pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange, and in the case of a Non Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. See “Business of the Corporation” and “Use of Proceeds”.
- USE OF PROCEEDS:** The net proceeds to the Corporation from the Offering and cash proceeds raised from the sale of Common Shares prior to this Offering will be approximately \$345,858 (after deduction of the Agent’s Commission and the issue expenses and costs). The net proceeds of this Offering plus the proceeds from the prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction, and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized and \$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 AND OFFICERS:** The following persons are the directors and officers of the Corporation:
- Bryan Van Engelen – Chief Executive Officer, Chief Financial Officer, and Director
 - Jennifer Mallick – Treasurer
 - Marisa Thoren – Corporate Secretary
 - Richard Kimel – Director
 - Sherri Altshuler – Director
 - Scott Rasenberg – Director
- See “Directors, Officers and Promoter”.

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

ESCROWED SHARES: All of the currently issued and outstanding Common Shares, being 1,050,000 Common Shares, will be deposited in escrow pursuant to the terms of the Discount Seed Share Escrow Agreement, and will be released in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “Escrowed Securities”.

RISK FACTORS: **There is no established market for the Common Shares. 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 only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. An investor will suffer an immediate dilution on investment of 17.2% or \$0.0344 per Common Share assuming completion of the Offering (based on the total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation). 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.

The Exchange will generally suspend trading in the Common Shares or delist the Corporation if the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.

In the event that management, directors or experts of the Corporation reside outside of Canada or the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management, directors or experts resident outside of Canada or upon the foreign business or the Resulting Issuer and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities or other laws in Canada. See “Corporate Structure”, “Business of the Corporation”, “Directors, Officers and Promoter”, “Use of Proceeds”, “Risk Factors” and “Conflicts of Interest”.

The Corporation has also granted to the Agent a right of first refusal in connection with brokered equity financings of the Corporation and to provide sponsorship services for any Qualifying Transaction of the Corporation, if a sponsor is required by the Exchange. See “Plan of Distribution”.

CORPORATE STRUCTURE

Name and Incorporation

The Corporation was incorporated under the name "MJ Innovation Capital Corp" pursuant to articles of incorporation dated November 13, 2018 under the *Business Corporations Act* (Ontario). On April 8, 2019, the Corporation filed

articles of amendment to delete the share transfer restrictions. By special resolution, shareholders have authorized the directors to amend the articles of the Corporation to change the name of the Corporation to such name as the directors may approve in their discretion and to consolidate the Common Shares as the directors may approve in their discretion, which amendments are anticipated to be filed on or about the date of the Qualifying Transaction and are subject to Exchange approval. The principal and registered office of the Corporation is located at Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9.

The share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, 1,050,000 Common Shares are issued and outstanding.

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at the date hereof, the Corporation has incurred preliminary expenses with respect to auditing costs and filing fees, as well as advances to the Agent for fees and expenses, of approximately \$90,000 in the aggregate, of which \$69,470 have been included in the financial statements. A portion of the net proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel and the Agent's legal counsel, the listing fees payable to the Exchange and filing fees payable to the Commissions. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

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

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

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

Method of Financing

The Corporation may use cash, bank financing, and issuance of treasury shares either by way of private placement or public offering or some combination thereof for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

Criteria for a Qualifying Transaction

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

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

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

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

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

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

Potential Qualifying Transaction

The Corporation has not, as of the date hereof, entered into negotiations respecting a potential Qualifying Transaction.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's initial listing requirements for its particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension and Delisting

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. If the Common Shares are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the *Business Corporations Act* (Ontario) and shall make a pro rata distribution of its remaining assets to its shareholders, unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the votes of Non Arm's Length Parties to the Corporation, the shareholders determine to deal with the Corporation or its remaining assets in some other manner. See "Filings and Shareholder Approval of Non Arm's Length Qualifying Transaction".

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

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

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

Refusal of a Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) 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;
- (e) in the case of a Resulting Issuer that is a reporting issuer in Ontario, other than an oil and gas or mining issuer, the Qualifying Transaction involves the acquisition of Significant Assets, outside of Canada or the United States and is not undertaken using a prospectus as a disclosure document; or
- (f) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$400,000 upon completion of the Offering. The gross proceeds received by the Corporation from the sale of 1,050,000 Common Shares prior to the date of this prospectus total \$105,000. The costs related to the issuance of Common Shares prior to the Offering were \$4,702. From the aggregate gross proceeds of \$505,000, the expenses and costs of this issue, including legal, accounting, audit, printing, regulatory fees, and the Agent's Commission, fees and expenses, estimated in the aggregate to be approximately \$154,440, will be deducted.

Assuming the completion of this Offering, the net proceeds to the Corporation, after the payment of the aforementioned costs in respect of the Offering, together with proceeds from prior sale of Common Shares, are estimated to be \$345,858. The general and administrative expenses until Completion of the Qualifying Transaction are estimated to be \$50,000. The total funds available to the Corporation for identifying and evaluating assets or businesses is accordingly estimated at \$295,858.

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

| Item | Total Offering |
|---|----------------|
| Cash proceeds raised from the sale of Common Shares prior to this Offering ⁽¹⁾ | \$105,000 |
| Expenses and costs relating to raising the cash proceeds above | (\$4,702) |
| Cash proceeds to be raised pursuant to this Offering | \$400,000 |
| Expenses and costs relating to the Offering ⁽²⁾ | (\$154,440) |
| Estimated funds available (on completion of the Offering) ⁽³⁾ | \$345,858 |
| Use of Proceeds | |

| Item | Total Offering |
|--|------------------|
| Funds available for identifying and evaluating assets or businesses ⁽³⁾⁽⁴⁾ | \$295,858 |
| Estimated general and administrative expenses until Completion of a Qualifying Transaction | \$50,000 |
| TOTAL NET PROCEEDS | \$345,858 |

Notes:

- (1) See “Prior Sales”.
- (2) Expenses and costs of the Offering include, but are not limited to: Agent’s Commission of \$40,000; an administration fee payable to the Agent of \$15,000; the reasonable out-of-pocket costs and expenses of the Agent (including legal fees of the Agent, estimated at \$15,000, plus disbursements and applicable taxes); legal fees of the Corporation estimated at \$50,000 plus disbursements and applicable taxes; audit fees of the Corporation estimated at \$10,000 plus applicable taxes; and filing fees payable to securities regulatory authorities and listing fees payable to the Exchange estimated at \$24,440 plus applicable taxes.
- (3) In the event the Agent exercises the Agent’s Warrants, and the Incentive Stock Options are exercised, there will be available to the Corporation an additional \$101,000, which will be added to the working capital of the Corporation. There is no assurance that any of these options or warrants will be exercised.
- (4) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$295,858 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

Permitted Use of Funds

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

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed Arm’s Length Qualifying Transaction provided that the Qualifying Transaction has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well

underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of 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 “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 “Permitted Use of Funds”.

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

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

Private Placement for Cash

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

Prohibited Payments to Non Arm’s Length Parties

Except as described under “Options to Purchase Securities” and “Restrictions on Use of Proceeds”, the Corporation has not made, and until Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm’s Length Party to the Corporation or a Non Arm’s Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including:

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

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

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

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

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for distribution to the public, on a commercially reasonable basis, 2,000,000 Common Shares at a price of \$0.20 per Common Share for gross proceeds of a minimum of \$400,000, subject to the terms and conditions of the Agency Agreement.

On closing, the Agent will receive a cash commission equal to 10% of the aggregate gross proceeds from the sale of the Common Shares. The Agent will also be paid an administration fee of \$15,000 and will be reimbursed by the Corporation for its reasonable expenses and legal fees plus taxes and disbursements. In addition, the Agent will be granted the Agent's Warrants to purchase 200,000 Common Shares, representing 10% of the Common Shares sold in connection with this Offering, at a price of \$0.20 per Common Share, exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange, which Agent's Warrants are qualified for distribution under this prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. Other than as described in this prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other Person or Company in connection with the Offering.

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

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for all of the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain events as stated in the Agency Agreement, including the non-fulfillment of conditions of closing.

Pursuant to the terms of the Agency Agreement, the Corporation has granted to the Agent a right of first refusal (the "**ROFR**") expiring on the date that is the earlier of (the "**ROFR Termination Date**"): (i) the date of the closing of the Corporation's Qualifying Transaction; and (ii) the date which falls 24 months from the closing of the Offering. Pursuant to the ROFR, the Agent will have the right to act as agent in connection with any further brokered equity financing or to provide sponsorship services (if required) for any Qualifying Transaction for the period ending on the ROFR Termination Date.

Commercially Reasonable Efforts Offering and Minimum Distribution

The Offering is for 2,000,000 Common Shares for total gross proceeds of \$400,000. Under the CPC Policy, the maximum number of Common Shares which may be directly or indirectly purchased by any one purchaser to this Offering is 2% of the Common Shares offered hereunder or 40,000 Common Shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the Common Shares offered hereunder or 80,000 Common Shares. The funds received from the Offering will be deposited with the Agent, and will not be released until \$400,000 has

been deposited and the Agent consents to the release thereof. Subscriptions of 2,000,000 Common Shares for total gross proceeds of \$400,000 must be raised within 90 days of the issuance of a receipt for the prospectus, or such other time as may be consented to by the Agent and Persons or Companies who subscribed within that period, and in any event, not later than 180 days after the date of the receipt of the final prospectus, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities Being Distributed

The Corporation also proposes to grant the Incentive Stock Options at the closing of the Offering in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to this prospectus. The Incentive Stock Options entitle the holders to purchase up to 305,000 Common Shares at a price of \$0.20 per Common Share and such options may be exercised for a period of ten years from the date of grant. See “Plan of Distribution” and “Options to Purchase Securities”.

Determination of Price

The offering price of the Common Shares offered pursuant to this Offering has been determined by negotiation between the Corporation and the Agent in accordance with the CPC Policy.

Listing Application

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

Subscriptions by and Restrictions on the Agent

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 thereof have subscribed for Common Shares.

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 Aggregate Pro Group, including participants referred to above, is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date. Such participants are permitted to subscribe for Common Shares pursuant to this Offering, subject to (i) compliance with any applicable client priority rule, and (ii) the restrictions applicable to all purchasers to Offering described under “Plan of Distribution-Offering and Minimum Distribution”.

Restrictions on Trading

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

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares of which 1,050,000 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. In addition, a maximum of 2,000,000

Common Shares are reserved for issuance pursuant to this Offering and a maximum of 200,000 Common Shares are reserved for issuance upon exercise of the Agent’s Warrants.

A maximum of 305,000 Common Shares are reserved for issuance upon exercise of the Incentive Stock Options. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See “Prior Sales”, “Options to Purchase Securities” and “Plan of Distribution”.

Common Shares

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

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at June 30, 2019 (the date of the most recent balance sheet contained in this prospectus) and as at the date of this prospectus both before and after giving effect to the Offering:

| | Amount authorized or to be authorized | Amount outstanding as at June 30, 2019⁽¹⁾ | Amount outstanding as at the date of this prospectus⁽³⁾ | Amount to be outstanding if all Common Shares being offered are sold⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ |
|---------------|--|---|---|--|
| Common Shares | Unlimited | \$100,000 (1,000,000 Common Shares) | \$105,000 (1,050,000 Common Shares) | \$505,000 (3,050,000 Common Shares) |

Notes:

- (1) The Corporation had not commenced commercial operations as at June 30, 2019 or as at the date hereof. See “Prior Sales.”
- (2) The Corporation has reserved up to 200,000 Common Shares pursuant to the exercise of the Agent’s Warrants. The Agent’s Warrants will have an exercise price of \$0.20 per Common Share and may be exercised for a period of 24 months from the date of listing the Common Shares on the Exchange. See “Plan of Distribution.”
- (3) The 1,050,000 Common Shares issued at \$0.10 per share will be held in escrow in accordance with the CPC Policy. See “Escrowed Securities”.
- (4) Before deducting the Agent’s Commission and the costs and expenses of this issue (and certain pre-offering costs). Expenses and costs of the Offering include, but are not limited to: Agent’s Commission of \$40,000; an administration fee payable to the Agent of \$15,000; the reasonable out-of-pocket costs and expenses of the Agent (including legal fees of the Agent, estimated at \$15,000, plus disbursements and applicable taxes); legal fees of the Corporation estimated at \$50,000 plus disbursements and applicable taxes; audit fees of the Corporation estimated at \$10,000 plus applicable taxes; and filing fees payable to securities regulatory authorities and listing fees payable to the Exchange estimated at \$24,440 plus applicable taxes.
- (5) The Corporation has reserved an aggregate of 305,000 Common Shares pursuant to Incentive Stock Options to be granted to certain directors of the Corporation. All of the Incentive Stock Options will have an exercise price of \$0.20 per Common Share and may be exercised for a period of ten years from the date of grant. See “Options to Purchase Securities”.

OPTIONS TO PURCHASE SECURITIES

Incentive Stock Options

Incentive Stock Options to purchase up to 305,000 Common Shares are to be granted after closing of this Offering to certain directors of the Corporation, subject to regulatory approval. The Incentive Stock Options will be granted after the closing of the Offering under the Corporation’s Stock Option Plan (as defined below) and will be qualified for distribution and are expected to be allocated on the following basis:

| Name of Optionee | No. of Common Shares reserved under Option⁽¹⁾⁽²⁾ | Exercise Price per Common Share |
|-------------------------|--|--|
| Richard Kimel | 140,000 Common Shares | \$0.20 |
| Bryan Van Engelen | 20,000 Common Shares | \$0.20 |
| Scott Rasenberg | 140,000 Common Shares | \$0.20 |

| Name of Optionee | No. of Common Shares reserved under Option ⁽¹⁾⁽²⁾ | Exercise Price per Common Share |
|------------------|--|---------------------------------|
| Sherri Altshuler | 5,000 Common Shares | \$0.20 |
| Total | 305,000 Common Shares | \$0.20 |

Note:

(1) The Incentive Stock Options to be granted to certain directors the Corporation after the closing of this Offering (subject to regulatory approval) are qualified for distribution pursuant to this prospectus. Such Incentive Stock Options shall be exercisable for a period of ten years from the date of grant.

Stock Option Terms

The policies of the Exchange provide that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation and its Affiliates and to consultants and management company employees, non-transferable options to purchase Common Shares for a period of up to ten years from the date of the grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the stock option plan (the “**Stock Option Plan**”) established by the Corporation, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. Incentive stock options may be exercised until the greater of 12 months after the completion of the Qualifying Transaction and 90 days following the date the optionee ceases to be a director, officer or employee of the Corporation or its Affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Notwithstanding the terms of the Stock Option Plan described above, the CPC Policy imposes certain restrictions on incentive stock options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, the Corporation, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option for issuance pursuant to the Stock Option Plan may not exceed 10% of the Common Shares to be outstanding at the closing of the Offering. The maximum number of Common Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Common Shares to be outstanding at the closing of the Offering. The maximum number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding Common Shares to be outstanding after the closing of the Offering. In addition, while the Corporation is a CPC, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any incentive stock option granted by the Corporation while it is a CPC may not be less than the greater of \$0.10 and the Discounted Market Price (as defined under Exchange policies). Any Common Shares acquired pursuant to the exercise of incentive stock options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “Escrowed Securities”.

PRIOR SALES

Since the date of incorporation of the Corporation, 1,050,000 Common Shares have been issued as follows:

| Date issued | Number of Common Shares | Issue Price per Share | Aggregate Issue Price | Nature of Consideration |
|-------------------|--------------------------|-----------------------|-----------------------|-------------------------|
| December 31, 2018 | 1,000,000 ⁽¹⁾ | \$0.10 | \$100,000 | Cash |
| July 3, 2019 | 50,000 ⁽²⁾ | \$0.10 | \$5,000 | Cash |

Note:

(1) All of these 1,000,000 Common Shares will be held in escrow. See “Escrowed Securities”.

(2) All of these 50,000 Common Shares will be held in escrow. See “Escrowed Securities”.

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 1,050,000 Common Shares issued prior to this Offering at a price of \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Corporation either under this Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering, will be deposited with the Escrow Agent under the Discount Seed Share Escrow Agreement.

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

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

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

| Name and Place of Residence of Shareholder | Common Shares Held | Number of Escrowed Shares | Percentage of Shares Issued Prior to Completion of the Offering | Percentage of Shares Issued Upon Completion of the Offering ⁽¹⁾ |
|---|--------------------------|---------------------------|---|--|
| Jennifer Mallick Lambton Shores, Ontario | 450,000 Common Shares | All | 43% | 14.8% |
| Bryan Van Engelen Waterloo, Ontario | 225,000 Common Shares | All | 21.4% | 7.4% |
| Marissa Thoren Thedford, Ontario | 225,000 Common Shares | All | 21.4% | 7.4% |
| Richard Kimel Toronto, Ontario | 50,000 Common Shares | All | 4.8% | 1.6% |
| Scott Rasenberg London, Ontario | 50,000 Common Shares | All | 4.8% | 1.6% |
| Sherri Altshuler Toronto, Ontario | 50,000 Common Shares | All | 4.8% | 1.6% |

Notes:

(1) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent’s Warrants and the Incentive Stock Options. See “Plan of Distribution” and “Options to Purchase Securities”.

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

or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of that holding company.

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

If the Resulting Issuer meets the Exchange’s Tier 1 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 an 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 the Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Discount Seed Share Escrow Agreement each Non Arm’s Length Party to the Corporation which holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

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

Escrowed Securities on Qualifying Transaction

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

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

a three year escrow release mechanism with: 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin, 5% on the date which is 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 at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every six months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 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 the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and:
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those Persons who own 10% or more of the issued and outstanding Common Shares as at the date hereof:

| Name and Place of Residence | Type of Ownership | Number of Common Shares Owned Prior to the Offering ⁽¹⁾ | Percentage of Common Shares Owned Prior to the Offering | Percentage of Common Shares Owned Upon the Completion of the Offering ⁽²⁾ |
|--|-------------------|--|---|--|
| Jennifer Mallick Lambton Shores, Ontario | Direct | 450,000 Common Shares | 43% | 14.8% |
| Bryan Van Engelen Waterloo, Ontario | Direct | 225,000 Common Shares | 21.4% | 7.4% |
| Marissa Thoren Thedford, Ontario | Direct | 225,000 Common Shares | 21.4% | 7.4% |

Notes:

(1) Subject to the Discount Seed Share Escrow Agreement. See “Escrowed Securities”.

- (2) Assuming that no Common Shares are purchased under this Offering by these shareholders, and before the exercise of the Agent’s Warrants and the Incentive Stock Options. If the Agent’s Warrants and all of the Incentive Stock Options are fully exercised, Jennifer Mallick would own 12.7%, Bryan Van Engelen would own 6.9%, and Marissa Thoren would own 6.3%. See “Plan of Distribution”.

DIRECTORS, OFFICERS AND PROMOTER

The following are the names and places of residence of the directors, officers and promoter of the Corporation, their positions and offices with the Corporation, their present principal occupation, the number of Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to and on completion of the Offering:

| Name and Place of Residence | Position and Office | Present Principal Occupation | Percentage and Number of Common Shares Held Prior to the Offering | Percentage and Number of Common Shares Upon the Completion of the Offering⁽¹⁾ |
|---|---|--|--|---|
| Bryan Van Engelen ⁽²⁾ Waterloo, Ontario | Chief Executive Officer, Chief Financial Officer, Director, and Promoter ⁽²⁾ | Senior digital marketing specialist – Sun Life Financial | 225,000 Common Shares (21.4%) | 225,000 Common Shares (7.4%) |
| Richard Kimel ⁽²⁾ Toronto, Ontario | Director | Partner - Aird & Berlis LLP | 50,000 Common Shares (4.8%) | 50,000 Common Shares (1.6%) |
| Sherri Altshuler Toronto, Ontario | Director | Partner - Aird & Berlis LLP | 50,000 Common Shares (4.8%) | 50,000 Common Shares (1.6%) |
| Scott Rasenberg ⁽²⁾ London, Ontario | Director | President - Rasenberg-Group Limited | 50,000 Common Shares (4.8%) | 50,000 Common Shares (1.6%) |
| Marissa Thoren Thedford, Ontario | Corporate Secretary | Registered dietician – North Lambton Community Health Centre | 225,000 Common Shares (21.4%) | 225,000 Common Shares (7.4%) |
| Jennifer Mallick Lambton Shores, Ontario | Treasurer | Administrator – MPW Chartered Professional Accountants LLP | 450,000 Common Shares (43%) | 450,000 Common Shares (14.8%) |

Notes:

- (1) Assuming that no Common Shares are purchased by these shareholders under this Offering and before the exercise of the Agent’s Warrants and the Incentive Stock Options. See “Plan of Distribution”.
- (2) Member of the Audit Committee. The Corporation does not have any other committees.

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

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

The directors and officers, as a group, beneficially own and control 1,050,000 Common Shares, which represents 100% of the issued and outstanding Common Shares before giving effect to this Offering. Such Common Shares will represent 34.4% of the issued and outstanding Common Shares upon completion of the Offering, assuming no Common Shares are purchased by the directors and officers under the Offering, and before the exercise of the Agent’s Warrants and the Incentive Stock Options. See “Plan of Distribution” and “Options to Purchase Securities”.

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

Bryan Van Engelen, Chief Executive Officer, Chief Financial Officer, Director and Promoter

Mr. Van Engelen is a senior digital marketing specialist at Sun Life Financial. Mr. Van Engelen works with numerous public companies on email campaigns and updates to client-facing websites. Mr. Van Engelen was a senior digital marketing analyst at Blackberry Limited (formerly known as Research In Motion) and continues to be active in the application of technology. Mr. Van Engelen received his B.Sc. at the University of Guelph.

Mr. Van Engelen is 32 years old and is a Canadian citizen resident in Waterloo, Ontario. He will devote such time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Richard Kimel, Director. Mr. Kimel is a partner at the law firm of Aird & Berlis LLP. Mr. Kimel practices in the areas of corporate finance and corporate/commercial law with experience in mergers and acquisitions (crossborder and domestic) of both public and private corporations, public offerings (both initial and secondary), private placement financings (including debt and equity offerings), hedge fund formations and financings, corporate governance matters, and the formation and completion of qualifying transactions for companies established under the TSXV Capital Pool Company (CPC) program. Mr. Kimel acts as corporate counsel for numerous companies listed on the Toronto Stock Exchange and the TSXV. Mr. Kimel also acts as a director or officer for a number of his publicly listed clients. Mr. Kimel received his LL.B. from the University of Toronto and an Honours degree in Business Administration from the Richard Ivey School of Business at Western University in London, Ontario.

Mr. Kimel is 52 years old and is a Canadian citizen resident in Toronto, Ontario. He will devote such time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Scott Rasenberg, Director. Mr. Rasenberg is the President of the multi-faceted advisory and consulting firm, the Rasenberg-Group Limited, which focuses on accounting, consulting and eCommerce. Mr. Rasenberg practices in the areas of corporate finance and corporate taxation with experience in mergers and acquisitions (cross-border and domestic) of both public and private corporations across a wide variety of sectors, including manufacturing, retail, transportation, financial and investment services, real estate, mining, agribusiness and a diverse range of service industries. Mr. Rasenberg was the Vice- President of Finance and Administration for Exeter, Ontario-based JMR Electric Ltd., a leading full-service electrical and mechanical contractor. Prior to joining JMR, he was a Taxation Partner at MNP LLP, one of the largest chartered accountancy and advisory firms in Canada. Scott has also lectured and was a tutorial leader for CPA Canada. He holds an Economics degree from the University of Western Ontario, an honours degree in Business Administration from the University of Windsor, and a professional designation as a Chartered Professional Accountant. Mr. Rasenberg also acts as a director of TSXV-listed California Gold Mining Inc.

Mr. Rasenberg is 39 years old and is a Canadian citizen resident in London, Ontario. He will devote such time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Sherri Altshuler, Director. Sherri Altshuler is a partner at Aird & Berlis LLP and a member of the firm's Capital Markets, Corporate/Commercial and Cannabis Groups. Ms. Altshuler's practice focuses on public and private financings, go-public transactions (initial public offerings, reverse takeovers and qualifying transactions), listing on the TSX, TSXV and CSE, mergers, acquisitions, continuous disclosure, corporate governance and ongoing corporate matters. In 2017, Ms. Altshuler was recognized as one of Lexpert magazine's Rising Stars: Canada's Leading Lawyers Under 40. She is a member of the Ontario Securities Commission Small and Medium Enterprises Committee and a member of the TSX Venture Exchange Ontario Advisory Committee. Ms. Altshuler also instructs Corporate Finance at Windsor Law School. Ms. Altshuler is currently a director of CSE-listed Harborside Inc. (Formerly, Lineage Grow Company Ltd.).

Ms. Altshuler is 42 years old and is a Canadian citizen resident in Toronto, Ontario. Ms. Altshuler will devote her time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Marissa Thoren, Corporate Secretary. Marissa Thoren is a registered dietitian and certified diabetes educator. Ms. Thoren obtained her Bachelor of Science in applied human nutrition at the University of Guelph. She obtained her Masters of Science in applied human nutrition at Mount Saint Vincent University. An active member of her community, Ms. Thoren was involved with Big Brothers Big Sisters of Sarnia Lambton for many years and served a term on its board of directors. Currently, she volunteers at a local kids club teaching youth.

Ms. Thoren is 31 years old and a Canadian resident of Lambton Shores, Ontario. She will devote such time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction

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

Jennifer Mallick, Treasurer. Mrs. Mallick for the past 18 years has worked as a part time administrator at MPW Chartered Professional Accountants. She is also an active volunteer in her community. Mrs. Mallick is 48 years old and is a Canadian citizen residing in her hometown, Lambton Shores, Ontario. Mrs. Mallick will devote her time as is required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Other Reporting Issuer Experience

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

| Name | Name of Reporting Issuer | Name of Exchange or Market | Position | From | To |
|---------------|---|----------------------------|-----------|----------------|---------------|
| Richard Kimel | Galane Gold Ltd. | TSXV | Secretary | August 2011 | Present |
| | Feronia Inc. | TSXV | Secretary | April 2011 | Present |
| | Spectra7 Microsystems Inc. | TSX | Secretary | February 2013 | Present |
| | Inspira Financial Inc. (formerly, Chrysalis Capital IX Corporation) | TSXV | Director | October 2013 | July 2015 |
| | Blockchain Power Trust | TSXV | Secretary | October 2013 | Present |
| | Eve & Co Incorporated (formerly, Carlaw Capital V Corp.) | TSXV | Director | June 2014 | June 2018 |
| | One Roof Energy Group Inc. (formerly, Carlaw Capital IV Inc.) | TSXV | Director | September 2010 | March 2014 |
| | ICC Labs Inc. | TSXV | Director | May 2016 | August 2016 |
| | ICC Labs Inc. | TSXV | Secretary | November 2016 | November 2018 |
| | Eve & Co Incorporated | TSXV | Secretary | June 2018 | Present |
| | Baylin Technologies Inc. | TSX | Secretary | December 2018 | Present |

| Name | Name of Reporting Issuer | Name of Exchange or Market | Position | From | To |
|-----------------|-----------------------------|----------------------------|----------|---------------|---------|
| Scott Rasenberg | California Gold Mining Inc. | TSXV | Director | February 2016 | Present |

| Name | Name of Reporting Issuer | Name of Exchange or Market | Position | From | To |
|------------------|--|----------------------------|----------|----------|---------|
| Sherri Altshuler | Harborside Inc. (Formerly, Lineage Grow Company Ltd.) | CSE | Director | May 2019 | Present |

Corporate Cease Trade Orders or Bankruptcies

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

From June 2007 to January 2012, Richard Kimel acted as Corporate Secretary of Sino-Forest Corporation (“**Sino-Forest**”). On August 26, 2011 a cease trade order was issued by the Ontario Securities Commission (“**OSC**”) in connection with an ongoing investigation by the OSC.

On March 30, 2012, Sino-Forest obtained an initial order from the Ontario Superior Court of Justice for creditor protection pursuant to the provisions of the Companies’ Creditors Arrangement Act (“**CCAA**”). On January 30, 2013, Sino-Forest announced that it had implemented its previously announced Plan of Compromise and Reorganization pursuant to the CCAA and the *Canada Business Corporations Act*.

Penalties or Sanctions

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

Personal Bankruptcies

None of the directors, officers, insiders or promoters of the Corporation nor a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, nor a personal holding company of any such persons has, within the past 10 years before the date of this prospectus, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Indebtedness of Directors, Officers and Promoters

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

EXECUTIVE COMPENSATION

Except as set out below or otherwise permitted by the CPC Policy and 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 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
- (vi) deposits and similar payments.

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

Upon closing of the Offering, certain directors of the Corporation will be granted Incentive Stock Options. See "Options to Purchase Securities".

Following Completion of the Qualifying Transaction, it is anticipated that the Corporation shall pay compensation to its directors and officers. However, no payment other than 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.

DIVIDEND POLICY

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

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

PROMOTER

Bryan Van Engelen may be considered to be the promoter of the Corporation in that he took the initiative in organizing the business of the Corporation. As of the date hereof, Mr. Van Engelen owns 225,000 Common Shares and will be granted 20,000 options at the closing of the Offering. See "Principal Shareholders", "Prior Sales", "Options to Purchase Securities" and "Directors, Officers and Promoter".

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors, officers, insiders and the promoter of the Corporation will be subject in connection with the operations of the Corporation. Certain of the directors, officers, insiders and the promoter have been and will continue to be engaged in the identification and evaluation, with a view to potential

acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations. Only one of the directors of the Corporation has been a director of other CPCs.

Accordingly, situations may arise where some or all of the directors, officers, insiders and the promoter will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies prescribed by the *Business Corporations Act* (Ontario), the Exchange and applicable securities law, regulations and policies.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

All directors of the Corporation have acquired Common Shares in the seed capital phase of the Corporation. In addition, each of the directors of the Corporation will be granted options to purchase Common Shares on Closing of the Offering. See “Prior Sales” and “Options to Purchase Securities”.

During the period from the date of incorporation on November 13, 2018 to July 26, 2019, the Corporation incurred \$50,000 in legal fees in respect of general corporate matters for services provided by a law firm whose partners, Richard Kimel and Sherri Altshuler, are directors of the Corporation.

DILUTION

Purchasers of the Common Shares offered hereunder will suffer an immediate dilution of 17.2% or \$0.0344 per Common Share assuming completion of the Offering, based on the total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

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

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation’s business and its present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “Directors, Officers and Promoter” and “Conflicts of Interest”;
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 17.2% or \$0.0344 per Common Share. See “Dilution”;
- (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 the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of the fair value for the shareholder's Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares 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 the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;
- (m) the Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- (n) neither the Exchange nor any securities regulatory authority will pass upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management, directors or experts of the Corporation reside outside of Canada or the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management, directors or experts resident outside of Canada or upon the foreign business or the Resulting Issuer and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada;
- (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; and
- (q) subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

As a result of these factors, which are not all-inclusive, this Offering is only suitable to investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

LEGAL PROCEEDINGS

The Corporation is not party to any legal proceedings, nor to its knowledge are any such proceedings contemplated.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a “related issuer” or “connected issuer” of the Agent under National Instrument 33-105 – *Underwriting Conflicts*.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to the Offering will be passed upon by Aird & Berlis LLP on behalf of the Corporation, and by Miller Thomson LLP on behalf the Agent. As of the date hereof, partners and associates of Aird & Berlis LLP own, directly or indirectly, 100,000 Common Shares, representing 9.5% of the outstanding Common Shares. Further, partners of Aird & Berlis LLP will be granted an aggregate of 145,000 Incentive Stock Options upon the completion of the Offering. As of the date hereof, partners and associates of Miller Thomson LLP do not own, directly or indirectly, any outstanding Common Shares.

MNP LLP, Chartered Professional Accountants, Toronto, Ontario, is the auditor of the Corporation.

No Person whose profession or business gives authority to a statement made by such Person who is named in this prospectus has received or will receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation. In addition, none of the aforementioned Persons, nor any officer, director or employee thereof, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or an Associate or Affiliate of the Corporation, other than Richard Kimel and Sherri Altshuler, partners at Aird & Berlis LLP, who are directors of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, Chartered Professional Accountants, 300-111 Richmond Street West, Toronto, ON, M5H 2G4

The transfer agent and registrar of the Corporation is TSX Trust Company, 100 Adelaide St. W #301, Toronto, ON M5H 1S3

MATERIAL CONTRACTS

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

- (a) the Transfer Agent, Registrar and Disbursing Agent Agreement between the Corporation and the Escrow Agent;
- (b) the Agency Agreement referred to under the “Plan of Distribution”; and
- (c) the Discount Seed Share Escrow Agreement referred to under “Escrowed Securities”.

Copies of these agreements will be available for inspection at the registered office of the Corporation at Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9 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.

ELIGIBILITY FOR INVESTMENT

In the opinion of Aird & Berlis LLP, counsel for the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) in force on the date hereof, the Common Shares issued pursuant to the Offering, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by a registered retirement savings plan (“**RRSP**”), registered retirement income funds (“**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), deferred profit sharing plan and tax-free savings account (“**TFSA**”), each as defined in the Tax Act (collectively, “**Deferred Plans**”),

provided that the Common Shares are then listed on a "designated stock exchange" for purposes of the Tax Act or the Corporation is otherwise a "public corporation" at that time as defined in the Tax Act.

The Common Shares are not currently listed on a "designated stock exchange" and the Corporation is not currently a "public corporation" as that term is defined in the Tax Act. The Corporation has applied to list the Common Shares on the Exchange and the Common Shares shall commence trading on Closing of the Offering. The Corporation must rely on the Exchange to list the Common Shares on the Exchange prior to the issuance of the Common Shares on Closing, and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on the Exchange at the time of their issuance and the Corporation is not a "public corporation" for the purposes of the Tax Act at that time, the Common Shares will not be qualified investments for the Deferred Plans at that time.

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant under a RRSP or RRIF, or the subscriber under a RESP, as applicable, will be subject to a penalty tax under the Tax Act if the Common Shares are a "prohibited investment" for purposes of the Tax Act for the TFSA, RDSP, RRSP, RRIF or RESP. The Common Shares will generally be a "prohibited investment" for a particular TFSA, RDSP, RRSP, RRIF or RESP if the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as applicable, (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 the Tax Act, in the Corporation. Generally, a holder, annuitant or subscriber, as applicable, will not have a "significant interest" in the Corporation unless the holder, annuitant or subscriber, together with persons with whom the holder, annuitant or subscriber does not deal at arm's length, does not own, directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the Corporation or of a corporation related to the Corporation (for purposes of the Tax Act). In addition, the Common Shares, will generally not be a "prohibited investment" if the Common Shares are "excluded property" as defined in the Tax Act for a TFSA, RDSP, RRSP, RRIF or RESP.

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

OTHER MATERIAL FACTS

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

PURCHASERS' STATUTORY RIGHTS

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

FINANCIAL STATEMENTS

MJ Innovation Capital Corp.
Financial Statements
For the period from the date of incorporation
(November 13, 2018) to June 30, 2019

(See attached)

MJ Innovation Capital Corp.
(A Capital Pool Corporation)
Financial Statements
For the Period from the Date of Incorporation
(November 13, 2018) to June 30, 2019
(In Canadian Dollars)

Independent Auditor's Report

To the Directors of MJ Innovation Capital Corp.:

Opinion

We have audited the financial statements of MJ Innovation Capital Corp. (the "Corporation"), which comprise the statement of financial position as at June 30, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from November 13, 2018 (date of incorporation) to June 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 2019, and its financial performance and its cash flows for the period from November 13, 2018 to June 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario
July 26, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

MJ Innovation Capital Corp.
Statement of Financial Position
As at June 30, 2019
(in Canadian Dollars)

| | 2019 |
|-----------------------------|------------------|
| Assets | |
| Cash held in trust | \$ 69,910 |
| Deferred offering costs | 15,000 |
| | \$ 84,910 |
| Liabilities | |
| Accrued liabilities | \$ 59,082 |
| Shareholders' Equity | |
| Share capital (Note 3) | 95,298 |
| Deficit | (69,470) |
| | 25,828 |
| | \$ 84,910 |

Subsequent events (note 6)

Approved by the Board "Richard Kimel"
Director

 "Bryan Van Engelen"
Director

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

MJ Innovation Capital Corp.
Statement of Loss and Comprehensive Loss
For the Period from the Date of Incorporation (November 13, 2018) to June 30, 2019
(in Canadian Dollars)

| | For the Period ended | |
|---|-----------------------------|-----------------|
| | June 30, 2019 | |
| Expenses | | |
| Professional fees | \$ | 54,380 |
| Filing fees | | 15,090 |
| Net loss and comprehensive loss for the period | | (69,470) |
| Net loss per share – basic and diluted | \$ | - |
| Weighted average shares outstanding- basic and diluted | | - |

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

MJ Innovation Capital Corp.
Statement of Changes in Cash Flows
For the Period from the Date of Incorporation (November 13, 2018) to June 30, 2019
(in Canadian Dollars)

| | For the Period ended June 30, 2019 |
|---|---|
| Cash provided by (used in) | |
| Operating | |
| Net loss for the period | \$ (69,470) |
| Change in accrued liabilities | 59,082 |
| Net cash used in operating activities | (10,388) |
| Financing | |
| Share subscription, net of issuance costs | 95,298 |
| Change in deferred offering costs | (15,000) |
| Net cash provided by financing activities | 80,298 |
| Net change in cash | 69,910 |
| Cash, end of period | \$ 69,910 |

The accompanying notes are an integral part of these financial statements

MJ Innovation Capital Corp.
Statement of Changes in Shareholders' Equity
For the Period from the Date of Incorporation (November 13, 2018) to June 30, 2019
(in Canadian Dollars)

| | Number of Shares | Share Capital | Deficit | Shareholders' Equity |
|-------------------------------|-------------------------|----------------------|--------------------|-----------------------------|
| Balance, November 13, 2018 | - | \$ - | \$ - | \$ - |
| Share subscription (Note 3) | 1,000,000 | 100,000 | - | 100,000 |
| Share issuance costs | - | (4,702) | - | (4,702) |
| Net loss for the period | - | - | (69,470) | (69,470) |
| Balance, June 30, 2019 | 1,000,000 | \$ 95,298 | \$ (69,470) | \$ 25,828 |

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

1. INCORPORATION AND NATURE OF BUSINESS

MJ Innovation Capital Corp. (the "Corporation") was incorporated under the Ontario Business Corporations Act on November 13, 2018 and is in the process of applying for status as a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined under Policy 2.4 of the Exchange. The Corporation has not commenced commercial operations and has no assets other than cash held in trust and deferred offering costs. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

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 up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, ON M5J 2T9.

On July 26, 2019, the board of directors of the Corporation (the "Board") approved the financial statements for the period from Date of Incorporation (November 13, 2018) to June 30, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash is classified as fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statement of financial position.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of operations and comprehensive income.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

MJ Innovation Capital Corp.
Notes to the Financial Statements
For the Period from the Date of Incorporation (November 13, 2018) to June 30, 2019
(in Canadian Dollars)

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued

| | |
|-------------------------|------------------|
| 1,000,000 common shares | \$ 95,298 |
|-------------------------|------------------|

Escrowed Shares

During the period, the Corporation issued 1,000,000 common shares at \$0.10 per share for gross proceeds of \$100,000. Share issuance costs of \$4,702 were associated with these issuances.

All common shares of the Corporation acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the final exchange bulletin is issued.

Options

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board when the option is granted. Options may be exercised until the greater of 12 months after the completion of the QT and 90 days following the date the optionee ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Any shares issued upon exercise of the options prior to the Corporation entering into a QT will be subject to escrow restrictions.

The stock option plan is subject to regulatory approval.

No options have been granted or are outstanding as at June 30, 2019.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and deficit, in the definition of capital.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES– continued

Capital Management - continued

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used for purposes other than those in section 8.3 of Exchange Policy 2.4. These restrictions apply until completion of a QT.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust, and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the period from incorporation (November 13, 2018) until June 30, 2019 the Corporation incurred legal fees of approximately \$44,379 and share issuance costs of \$4,702 for services provided by a law firm whose partners are directors of the Corporation. As at June 30, 2019 \$49,081 is included in accrued liabilities for these services

6. SUBSEQUENT EVENTS

Filing of Prospectus and Initial Public Offering

The Corporation has filed a prospectus to offer to sell and issue 2,000,000 common shares at \$0.20 per share (\$400,000) (the "Offering").

The Corporation has entered into an agreement with Canaccord Genuity Corp. (the "Agent") to raise gross proceeds of \$400,000 in connection with Offering. The Corporation will pay a commission of 10% of gross proceeds to the Agent and will grant the Agent warrants to purchase common shares equal to 10% of the total number of Common Shares sold as part of the Offering at an exercise price of \$0.20 per share for a period ending twenty-four months from the date the Corporation is listed on the Exchange. The Corporation is also required to pay an administration fee and will reimburse the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

The Corporation intends to enter into stock option agreements at the closing of the offering, granting stock options to officers and directors to collectively acquire 10% of the issued and outstanding common shares of the Corporation after the closing of the Offering at an exercise price of \$0.20 per share and expiring ten years from the date of grant.

On July 3, 2019, the Corporation issued 50,000 Common Shares at \$0.10 per share for gross proceeds of \$5,000 to a director of the Corporation.

CERTIFICATE OF THE CORPORATION

Dated: July 26, 2019

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

"Bryan Van Engelen"

Bryan Van Engelen
Chief Executive Officer and Chief
Financial Officer

ON BEHALF OF THE BOARD

"Richard Kimel"

Richard Kimel
Director

"Scott Rasenberg"

Scott Rasenberg
Director

CERTIFICATE OF THE PROMOTER

Dated: July 26, 2019

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

"Bryan Van Engelen"

Bryan Van Engelen
Promoter

CERTIFICATE OF THE AGENT

Dated: July 26, 2019

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

CANACCORD GENUITY CORP.

"Frank G. Sullivan"

Frank G. Sullivan
Vice President,
Sponsorship,
Investment Banking