

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

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

PRELIMINARY PROSPECTUS

Initial Public Offering

January 22, 2021

ANACOTT ACQUISITION CORPORATION (a Capital Pool Company)

Offering: \$200,000 or 2,000,000 Common Shares

Price: \$0.10 per Common Share

Anacott Acquisition Corporation (the “**Corporation**”) hereby offers for distribution on a commercially reasonable efforts basis, through its agent, Canaccord Genuity Corp. (the “**Agent**”), 2,000,000 common shares in the share capital of the Corporation (the “**Common Shares**”) for gross proceeds of \$200,000 (the “**Offering**”). The purpose of this Offering is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the “**Exchange**”) and, in the case of a Non-Arm’s Length Qualifying Transaction, as hereafter defined, must also receive Majority of the Minority Approval in accordance with Exchange Policy 2.4 - *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, 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*”.

	Common Shares	Price to Public	Agent’s Commission ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾⁽³⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Total Offering	2,000,000	\$200,000	\$20,000	\$180,000

Notes:

- (1) A cash commission of 10% of the gross proceeds of the Offering (the “**Agent’s Commission**”) will be paid to the Agent. The Agent will also be paid an administration fee of \$15,000 (the “**Administration Fee**”) upon completion of the Offering. The Corporation has paid a \$15,000 retainer to the Agent, which will be applied towards the Agent’s legal fees, expenses and other costs it incurs in connection with the Offering, including disbursements and taxes. In addition, the Corporation will grant the Agent non-transferable warrants (the “**Agent’s Warrants**”) to acquire Common Shares (the “**Agent’s Shares**”) in an amount equal to 10% of the number of Common Shares issued pursuant to the Offering, or 200,000 Agent’s Warrants, with each Agent’s Warrant entitling the Agent to acquire one Agent’s Share at a price of \$0.10 per Agent’s Share for a period of five years from the date of closing the Offering (the “**Closing Date**”). This Prospectus qualifies the grant of the Agent’s Warrants. See “*Plan of Distribution – Agency Agreement and Agent’s Compensation*”.
- (2) Before deducting the costs and expenses of the Offering estimated at \$90,000 (excluding the Agent’s Commission), which includes legal and audit fees and other expenses of the Corporation, the Administration Fee, fees and expenses payable to the Agent, filing fees and the listing fee payable to the Exchange. See “*Use of Proceeds*”.
- (3) 2,000,000 Common Shares are offered by this Prospectus. In addition, this Prospectus qualifies for distribution the Agent’s Warrants and incentive stock options to purchase 400,000 Common Shares (the “**Directors’ and Officers’**”).

Options") on the Exchange, which Agent's Warrants and Directors' and Officers' Options are qualified for distribution under this Prospectus. Upon Closing of the Offering, the Corporation will pay to the Agent the Administration Fee of \$15,000. The Agent will be reimbursed by the Corporation for its legal fees and expenses for which a deposit of \$15,000 has been paid. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

This Offering is being made on a "commercially reasonable efforts" agency basis by the Agent in the Provinces of British Columbia, Alberta, Manitoba, and Saskatchewan, and is subject to the completion of an aggregate minimum subscription of 2,000,000 Common Shares for gross proceeds to the Corporation of \$200,000. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as hereafter defined) between the Agent and the Corporation. If the Offering is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the regulatory authorities and the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*".

Pursuant to the Agency Agreement, the Agent will be granted non-transferable Agent's Warrants to acquire Agent's Shares in an amount equal to 10% of the number of Common Shares issued pursuant to the Offering, or 200,000 Agent's Warrants, with each Agent's Warrant entitling the Agent to acquire one Agent's Share at a price of \$0.10 per Agent's Share for a period of five years from the Closing Date. The Agent's Warrants are qualified for distribution under this Prospectus. See "*Plan of Distribution – Agency Agreement and Agent's Compensation*". This Prospectus also qualifies for distribution the Directors' and Officers' Options to be granted to the directors and officers of the Corporation to purchase 400,000 Common Shares.

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 Directors' and Officers' Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for this Prospectus is issued by the securities commission that is designated the principal regulator of the Corporation pursuant to Multilateral Instrument 11-102 – *Passport System* ("**MI 11-102**") and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*, and the Listing Date 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 grants a discretionary order. See "*Plan of Distribution*".

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

There is no market through which these securities may be sold and purchasers may not be able to resell securities 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*".

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*".

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

Pursuant to the CPC Policy, 75% or 1,500,000 Common Shares of the total Common Shares offered under this Prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 40,000 Common Shares of the total number of Common Shares offered under this Prospectus; and
- (b) the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 80,000 Common Shares of the total number of Common Shares offered under this Prospectus.

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

The Agent hereby offers these Common Shares on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters by MLT Aikins LLP, on behalf of the Corporation, and by Miller Thomson LLP, on behalf of the Agent.

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GLOSSARY

“Administration Fee” means the administration fee of \$15,000 that will be paid by the Corporation to the Agent upon Closing.

“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 Shares of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the Voting Shares, 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 [●], 2021, between the Corporation and the Agent.

“Agent” means Canaccord Genuity Corp. at its office in the City of Vancouver, in the Province of British Columbia.

“Agent’s Commission” means the cash commission of 10% of the gross proceeds of the Offering payable to the Agent.

“Agent’s Shares” means the Common Shares issuable to the Agent upon exercise of the Agent’s Warrants.

“Agent’s Warrants” means the non-transferable warrants to be granted by the Corporation to the Agent in an amount equal to 10% of the number of Common Shares issued pursuant to the Offering, or 200,000 Agent’s Warrants, with each Agent’s Warrant entitling the Agent to acquire one Agent’s Share at a price of \$0.10 per Agent’s Share for a period of five years from the Closing Date.

“Aggregate Pro Group” means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Issuer 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 or 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 all outstanding voting 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 the Person serves as trustee or in a similar capacity; and
 - (d) in the case of an individual, a relative of that Person, including:
 - (i) that Person’s spouse or child, or
 - (ii) any relative of that 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.1.00 of the TSXV Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

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

“CBCA” means the *Canada Business Corporations Act*.

“**Closing**” means the completion of the Offering.

“**Closing Date**” means the date on which Closing occurs.

“**Common Shares**” means the common shares in the share 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 of the Final QT Exchange Bulletin 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 Shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

“**Corporation**” means Anacott Acquisition Corporation, a corporation incorporated under the CBCA and having its registered office in the City of Winnipeg, in the Province of Manitoba.

“**CPC**” or “**Capital Pool Company**” means a corporation or trust:

- (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 QT Exchange Bulletin has not yet been issued.

“**CPC Filing Statement**” means the filing statement of a CPC prepared in accordance with Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

“**CPC Information Circular**” means the Information Circular of a CPC prepared in accordance with Applicable Securities Laws and Form 3B1 – *Information Required in an Information Circular for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

“**CPC Policy**” means Exchange Policy 2.4 - *Capital Pool Companies*.

“**CSE**” means the Canadian Securities Exchange.

“**Directors’ and Officers’ Options**” means incentive stock options granted to certain directors and officers of the Corporation on November 26, 2020 in accordance with the CPC Policy, which options entitle the holders to purchase an aggregate of 400,000 Common Shares at a price of \$0.10 per Common Share if the Offering is subscribed for. These options may be exercised until November 26, 2025.

“Disclosure Document” means the CPC Filing Statement or the CPC Information Circular, as the case may be, or the Prospectus, if required by section 11.1(f) of the CPC Policy.

“Escrow Agreement” means the escrow agreement dated [•], 2021, among the Corporation, the Trustee and certain shareholders of the Corporation.

“Exchange” or **“TSXV”** means the TSX Venture Exchange Inc.

“Final QT Exchange Bulletin” means the bulletin issued by the Exchange following the close of the Qualifying Transaction and the submission of all required documentation and evidences the final Exchange acceptance of the Qualifying Transaction.

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

“IPO” means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first prospectus.

“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 a 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.

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

“Listed Shares” means a share or other security that is listed on the Exchange.

“Listing Date” means the date that the Common Shares are listed on the Exchange.

“Majority of the Minority Approval” means the approval by the majority of the votes cast at a meeting of Shareholders of the CPC, or by the written consent of Shareholders of the CPC holding more than 50% of the issued Listed Shares of the CPC, provided that the votes attached to Listed Shares of the CPC held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

- (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.

“Member” means a Person who has executed the Members’ Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

“Members’ Agreement” means the members’ agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange under the Exchange requirements.

“MI 11-102” means Multilateral Instrument 11-102 – *Passport System*.

“NI 52-110” means National Policy 52-110 – *Audit Committees*.

“Non-Arm’s Length Party” means:

- (a) in relation to a Company:
 - (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
 - (ii) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and
- (b) in relation to an individual, any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

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

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

“Offering” means the offering of Common Shares in accordance with the terms of this Prospectus.

“Participating Organization” means, generally, a Company that is not a Member but has been granted access to trading privileges through the Exchange. See the definition in Exchange Rule A.1.00.

“Person” means a Company or individual.

“Principal” means:

- (a) a Person who acted as a Promoter of the Issuer within two years before the IPO prospectus or Final QT 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 QT Exchange Bulletin;
- (c) a “20% holder” – a Person 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 QT Exchange Bulletin for non-IPO transactions; and
- (d) a “10% holder” – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the Issuer’s IPO or immediately after the Final QT 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, more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of the Company that this entity holds will be subject to escrow requirements.

A Principal’s spouse and any relatives of the Principal or whose spouse live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

“Pro Group” means:

- (a) Subject to subparagraphs (b), (c) and (d) “Pro Group” shall include, either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv).

- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) The 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.

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

"Prospectus" means this preliminary prospectus of the Corporation dated January 22, 2021.

"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.

"Qualifying Transaction Agreement" means any agreement or other similar commitment respecting the Qualifying Transaction, which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;
- (c) the value of the Significant Asset and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction.

"Related Party Transaction" has the meaning ascribed to that term under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, together with related Companion Policy 61-101 – *Protection of Minority Security Holders in Special Transaction*, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party

Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

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

"SEDAR" means the filing system referred to in National Instrument 13-101 – *System for Electronic Documents Analysis and Retrieval (SEDAR)* or its successor legislation (or its successor system).

"Seed Shares" means securities issued before an Issuer's IPO, or by a private Target Company before a reverse take-over bid, change of business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

"Shareholder" means a registered or beneficial holder of shares or, if the context requires, other securities of a Company.

"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.

"Sponsor" means a Member that meets the criteria specified in the Exchange Policy 1.1 – *Interpretation*, which has an agreement with an Issuer to undertake the functions of sponsorship as required by that policy and various other Exchange policies.

"Sponsor Report" 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 Assets pursuant to a Qualifying Transaction.

"Trustee" means Computershare Trust Company of Canada, a trust corporation having an office in the City of Vancouver, in the Province of British Columbia.

"Vendor" or **"Vendors"** means one or all of the beneficial owners of the Significant Assets and/or Target Company.

"Voting Share" means a security of an Issuer that:

- (a) is not a debt security, and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

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.

The Corporation:	Anacott Acquisition Corporation
Business of the Corporation:	The Corporation is a CPC. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. The Corporation has not yet identified a company or assets for a potential Qualifying Transaction. Furthermore, the Corporation has not entered into an Agreement in Principle. See <i>“Business of the Corporation – Proposed Operations until Completion of the Qualifying Transaction”</i> .
Offering:	A total of 2,000,000 Common Shares are being offered and qualified under this Prospectus at a price of \$0.10 per Common Share. In addition, the Corporation will grant to the Agent, Agent’s Warrants in an amount equal to 10% of the number of Common Shares issued pursuant to the Offering, or 200,000 Agent’s Warrants, with each Agent’s Warrant entitling the Agent to acquire one Agent’s Share at a price of \$0.10 per Agent’s Share for a period of five years from the Closing Date. The Corporation has granted the Directors’ and Officers’ Options to directors and officers of the Corporation entitling them to purchase 400,000 Common Shares at a price of \$0.10 per Common Share on Closing. The Directors’ and Officers’ Options may be exercised until November 26, 2025. The Agent’s Warrants and the Directors’ and Officers’ Options are qualified for distribution under this Prospectus. See <i>“Plan of Distribution”</i> and <i>“Options to Purchase Securities”</i> .
Use of Proceeds:	The net proceeds of the Offering to the Corporation from the sale of Common Shares, including the balance of cash proceeds received prior to the Offering, will be approximately \$228,000 (after deduction of the Agent’s Commission of \$20,000, the Administration Fee of \$15,000 and the estimated costs of the Offering). The net proceeds of this Offering, along with the proceeds from the prior sale 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. See <i>“Use of Proceeds”</i> for details of the restrictions and prohibitions on the Corporation’s use of funds. Also see <i>“Business of the Corporation”</i> and <i>“Risk Factors”</i> .

Directors and Management:	<ul style="list-style-type: none">• Michael Romanik (Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Director, and Promoter)• Joseph Jerome Smulders (Director)• Glen Wallace (Director) <p>See “<i>Directors, Officers and Promoter</i>”.</p>
Escrow Securities:	<p>2,000,000 issued and outstanding Common Shares issued at \$0.05 per Common Share, and all of the Directors’ and Officers’ Options, being 400,000 Directors’ and Officers’ Options, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of 18 months from the date of the Final QT Exchange Bulletin. See “<i>Escrowed Securities</i>”.</p>
Risk Factors:	<p>The Corporation was only recently incorporated and has no active business or assets other than cash. The Corporation 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. 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 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. The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Corporation. In such event, the Corporation will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Common Share of \$0.023 or 23%. 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. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction. Completion of the Qualifying</p>

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. 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 fair value for the Common Shares. 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. 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. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction. The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. 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. 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. If the Corporation does not list the Common Shares on the Exchange prior to the time of Closing or is not otherwise a "public corporation" for purposes of the Tax Act, adverse tax consequences will arise with respect to any Common Shares held in RRSPs, RRIFs, RESPs, RDSPs, TFSAs (each as defined under the heading "*Eligibility for Investment*") or deferred profit sharing plans.

See "*Business of the Corporation*", "*Directors, Officers and Promoter – Conflicts of Interest*", "*Capitalization*", "*Dilution*" and "*Risk Factors*".

THE CORPORATION

The Corporation was incorporated on September 24, 2020, by Certificate of Incorporation issued pursuant to the provisions of the CBCA under the name "Anacott Acquisition Corporation".

The registered and records office and the head office of the Corporation is located at 360 Main Street, Winnipeg, Manitoba, R3C 4G1 Canada.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at the date of this Prospectus, the Corporation had incurred preliminary expenses in the aggregate amount of \$36,265 out of the aggregate costs and expenses of this issue estimated at \$90,000 for the Offering (excluding the Agent's Commission). The preliminary expenses consist of professional fees in the amount of \$16,000, filing fees in the amount of \$5,250, bank fees in the amount of \$15, and a retainer of \$15,000 to the Agent. A portion of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor and legal fees, the fees of the Exchange, the Agent's Commission, Administration Fee, the fees and expenses of the Agent and the fees of the securities regulatory authorities. See "*Use of Proceeds*".

Proposed Operations until Completion of the Qualifying Transaction

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. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Corporation currently intends to primarily pursue a Qualifying Transaction in the mining, technology or industrial sector but there is no assurance that these will, in fact, be the business sectors of a proposed Qualifying Transaction or of the Corporation following the Completion of the Qualifying Transaction.

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

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

Method of Financing

The Corporation may use cash, bank financing, the issuance of treasury shares, public debt or equity financing or a combination of these 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 the**

control of the Corporation and may cause the Shareholders' interest in the Corporation to be further diluted.

Criteria for a Qualifying Transaction

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

Upon the Corporation reaching a Qualifying Transaction Agreement, 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 "*Business of the Corporation – Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the Exchange a Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Corporation, assuming Completion of the Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Corporation must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange will not require the Issuer to obtain Shareholder approval of the Qualifying Transaction provided that it files the CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents (as defined in the CPC Policy) have been accepted for filing, the Exchange will advise the Corporation that it is cleared to file the final Disclosure Document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, the Corporation must file the final CPC Filing Statement or Prospectus on SEDAR at least seven business days prior to:
 - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Corporation are halted from trading; or
 - (ii) the Completion of the Qualifying Transaction, if the securities of the Corporation are not halted from trading;
- (b) where Shareholder approval is required and is to be obtained at a meeting of Shareholder, the Corporation will file on SEDAR and mail to its Shareholders the notice of meeting, CPC Information Circular and form of proxy, together with any other required documents; and

- (c) where Shareholder approval is required and is to be obtained by written consent, the Corporation will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Corporation will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock 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 QT Exchange Bulletin. The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (a) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (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 QT Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

Initial Listing Requirements

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

Trading Halts, Suspensions and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of a Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment 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 Qualifying Transaction Agreement or if the Corporation fails to file post-meeting or final

documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

In the event that the Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the Corporation or its remaining assets in some other manner. See "*Business of the Corporation – Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction*".

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the Resulting Issuer will be a mutual fund, as defined in the securities legislation; or
- (c) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Net Proceeds

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

Item	Offering
(a) Gross cash proceeds received by the Corporation from the sale of Common Shares prior to this Offering ⁽¹⁾	\$140,000
(b) Less: Expenses and costs relating to raising the cash proceeds referred to in (a) above	(\$2,000) ⁽²⁾
(c) Plus: Gross cash proceeds to be raised by the Corporation from the sale of Common Shares distributed pursuant to this Offering ⁽³⁾	\$200,000
(d) Less: Expenses and costs relating to the Offering referred to in (c) above, incurred to date and expected to be incurred ⁽⁴⁾	(\$110,000)
(e) Estimated funds to be available to the Corporation (on completion of the Offering)⁽³⁾	\$228,000
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾⁽⁵⁾	\$178,000
Estimated general and administrative expenses until Completion of the Qualifying Transaction	(\$50,000)
Total Net Proceeds	\$228,000

Notes:

(1) See "*Prior Sales*".

- (2) See “*Business of the Corporation – Preliminary Expenses*”. \$2,000 were allocated towards the issuance of these shares. See the Corporation’s financial statements as at December 31, 2020.
- (3) In the event the Agent exercises the Agent’s Warrants, or any portion of the Directors’ and Officers’ Options are exercised there will be available to the Corporation a maximum of an additional \$60,000, which will be added to the working capital of the Corporation. There is no assurance that any of these warrants or options will be exercised.
- (4) Includes listing and filing fees (\$20,000), the Agent’s Commission (\$20,000), the Administration Fee (\$15,000), the Corporation’s legal fees (\$30,000), audit fee (\$10,000), the Agent’s legal fees and other expenses (\$15,000).
- (5) In the event that the Corporation enters into a Qualifying Transaction Agreement prior to spending the entire amount of \$178,000 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partly finance the acquisition of, or the participation in, the 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 the Seed 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. See “*Risk Factors*”.

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 – Prohibited Payments to Non-Arm’s Length Parties*”, “*Use of Proceeds – Private Placements for Cash*” and “*Use of Proceeds – Finder’s Fees*”, the gross proceeds realized from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

- (a) reasonable expenses relating to the Corporation’s IPO, including:
 - (i) fees for legal services and audit services relating to the preparation and filing of this Prospectus;
 - (ii) Agent’s fees, costs and commissions; and
 - (iii) printing costs, including printing of this Prospectus and share certificates;
- (b) reasonable general and administrative expenses of the Issuer (not exceeding in aggregate \$3,000 per month), including:
 - (i) office supplies, office rent and related utilities;
 - (ii) equipment leases;
 - (iii) fees for legal services; and
 - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
 - (i) valuations or appraisals;

- (ii) business plans;
 - (iii) feasibility studies and technical assessments;
 - (iv) Sponsorship Reports;
 - (v) Geological Reports (as defined in Policy 1.1 – *Interpretation* of the Exchange);
 - (vi) financial statements;
 - (vii) fees for legal services; and
 - (viii) fees for accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
 - (e) assurance and audit fees of the Corporation;
 - (f) escrow agent and transfer agent fees of the Corporation; and
 - (g) regulatory filing fees of the Corporation.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the Exchange. Any proposed deposit, advance or loan of funds from the Issuer to the Target Company or a Vendor(s) in excess of such \$25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the Exchange where all of the following conditions are satisfied:

- (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (ii) the Qualifying Transaction has been announced in a comprehensive news release;
- (iii) due diligence with respect to the Qualifying Transaction is well underway;
- (iv) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (v) the loan has been announced in a new release at least 15 days prior to the date of any such loan; and
- (vi) the total amount of all deposits, advances and loans from the Issuer does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Issuer to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Corporation.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "*Options to Purchase Securities*", "*Use of Proceeds – Permitted Use of Funds*" and "*Use of Proceeds – Finder's Fees*", the Corporation has not made, and until the 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 to a Non-Arm's Length Party to the Qualifying Transaction, or

to a Person engaged in investor relations activities, promotional or market-making services in respect of the Corporation or the securities of the Corporation or any Resulting Issuer, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy), loans, advances and bonuses; and
- (b) deposits and similar payments.

Further, no such payment will be made by the Corporation or by any other Person after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may pay or reimburse a Non-Arm's Length Party to the Corporation for reasonable general and administrative expenses of the Corporation (including office supplies, office rent and related utilities, equipment leases, fees for legal services and fees for accounting and advisory services) not exceeding in aggregate \$3,000 per month, and for fees for legal services relating to a proposed Qualifying Transaction, and the Corporation may also reimburse a Non-Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "*Use of Proceeds – Permitted Use of Funds*". See also "*Interest of Management and Others in Material Transactions*."

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.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of 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 \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and Agent's Warrants. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Finder's Fees

Upon Completion of the Qualifying Transaction, the Corporation and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*:

- (a) to a Person that is not a Non-Arm's Length Party to the Issuer; and
- (b) to a Non-Arm's Length Party to the Issuer, provided that:
 - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;

- (ii) the Qualifying Transaction is not a transaction between the Corporation and an existing public company;
- (iii) the finder's fee is payable in the form of cash, Listed Shares and/or Listed Share purchase warrants only;
- (iv) the amount of any concurrent financing of the Corporation is not included in the value of the measurable benefit used to calculate the finder's fee; and
- (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders of the Corporation or by the written consent of Shareholders of the Corporation holding more than 50% of the issued Listed Shares of the Corporation, provided that the votes attached to the Listed Shares of the Corporation held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale to the public on a "commercially reasonable efforts" agency basis 2,000,000 Common Shares, at \$0.10 per Common Share for aggregate gross proceeds of \$200,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive the Agent's Commission of 10% of the aggregate gross proceeds from the sale of the Common Shares, being \$20,000. In addition, the Corporation will pay the Agent the Administration Fee of \$15,000 and the Agent's reasonable legal fees, plus disbursements and taxes, and any other reasonable fees and expenses of the Agent, for which the Corporation has paid a retainer of \$15,000.

The Corporation has also agreed to grant to the Agent the non-transferable Agent's Warrants in an amount equal to 10% of the number of Common Shares issued pursuant to the Offering, or 200,000 Agent's Warrants, with each Agent's Warrant entitling the Agent to acquire one Agent's Share at a price of \$0.10 per Agent's Share for a period of five years from the Closing Date. The 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.

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

The Corporation has agreed to grant to the Agent, upon Closing of the Offering, a right of first refusal for all brokered equity financings the Corporation proposes to undertake until the date which is the earlier of: (a) the closing of the Corporation's Qualifying Transaction; and (b) 24 months from the Closing of the Offering. The Agent will also have a right of first refusal to provide sponsorship services for any Qualifying Transaction, if a sponsor is required by the Exchange.

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 corporation 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 the total subscription has been received.

Commercially Reasonable Efforts Offering and Minimum Distribution

This Offering is made on a commercially reasonable efforts basis by the Agent and is subject to the completion of an aggregate minimum subscription of 2,000,000 Common Shares for gross proceeds to the Corporation of \$200,000.

Under the CPC Policy, 75% or 1,500,000 of the total number of Common Shares offered under this Prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 40,000 of the total number of Common Shares offered under this Prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% or 80,000 of the total number of Common Shares offered under this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$200,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Upon completion of the Offering, the Corporation must have a minimum of 150 shareholders with each shareholder beneficially owning at least 1,000 Common Shares free of resale restrictions, exclusive of Common Shares held by Non-Arm's Length Parties to the Corporation.

Other Securities Being Distributed

The Corporation has granted the Directors' and Officers' Options in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to this Prospectus. The Directors' and Officers' Options entitle the holders thereof to purchase an aggregate of 400,000 Common Shares at a price of \$0.10 per Common Share. Such options may be exercised until November 26, 2025. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Determination of Price

The offering price of the Common Shares hereunder was determined by negotiation between the Corporation and the Agent in accordance with the CPC Policy.

Listing Application

There is currently no market through which these securities may be sold. The Corporation has applied to list its Common Shares (including the Agent's Shares) on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

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

Restrictions on Trading

Other than the distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Warrants, and the grant of the Directors' and Officers' Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the Prospectus is issued by the securities commission that is designated the principal regulator of the Corporation pursuant to MI 11-102 and the time the Common Shares begin 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 BEING DISTRIBUTED

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 2,400,000 are issued and outstanding as fully paid and non-assessable. In addition, 2,400,000 Common Shares are being qualified for distribution under this Prospectus. The Corporation will also reserve an additional 200,000 Agent's Shares for issuance pursuant to the Agent's Warrants and 400,000 Common Shares for issuance, subject to regulatory approval, pursuant to the Directors' and Officers' Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Common Shares.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 2020 (1)(2)	Amount Outstanding as of the Date Hereof (1)(2)	Amount Outstanding After Giving Effect to the Offering (3)(4)
Common Shares	Unlimited	\$138,000 ⁽⁵⁾ (2,400,000 Common Shares)	\$138,000 ⁽⁵⁾ (2,400,000 Common Shares)	\$340,000 (4,400,000 Common Shares)

Notes:

- (1) As at December 31, 2020, and as of the date hereof, the Corporation had not commenced commercial operations.
- (2) 2,000,000 of these Common Shares will be subject to escrow restrictions. See "*Escrowed Securities*".
- (3) 200,000 Agent's Shares are reserved for issuance pursuant to the Agent's Warrants at \$0.10 per Agent's Share, and 400,000 Common Shares are reserved for issuance pursuant to the Directors' and Officers' Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".
- (4) Based on gross proceeds of the Offering of \$200,000 and before deducting the Agent's Commission, the Administration Fee, filing fees, expenses and the other costs of this Offering, estimated at \$110,000.
- (5) After deducting issue costs of \$2,000.

OPTIONS TO PURCHASE SECURITIES

The Corporation's stock option plan (the "**Stock Option Plan**") was approved on November 26, 2020 and amended on January 14, 2021 and January 21, 2021.

The Directors' and Officers' Options to purchase 400,000 Common Shares, granted to certain directors and officers of the Corporation on November 26, 2020 (subject to regulatory approval), are qualified for distribution pursuant to this Prospectus.

The Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed the higher of (i) 10% of the Common Shares of the Corporation issued and outstanding as at the date of grant of any options and (ii) 10% of the issued and outstanding share capital of the Company at the closing of the Company's IPO on the Exchange, and that the exercise period does not exceed 5 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares of the Corporation as at the date of grant of the option.

The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed two percent (2%) of the issued and outstanding Common Shares of the Corporation as at the date of grant of the option.

The term of an option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Corporation, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such option.

All options and Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of options granted prior to the Offering with an exercise price that is less than the issue price of this

Offering are also subject to escrow under the CPC Escrow Agreement. For further details of the escrow requirements and release provisions, see “*Escrowed Securities*”.

The Directors’ and Officers’ Options are qualified for distribution pursuant to this Prospectus and are expected to be allocated on the following basis:

Optionee	Number of Common Shares Reserved Under Option under the Offering	Exercise Price	Expiry Date
Michael Romanik	133,334	\$0.10	November 26, 2025
Joseph Jerome Smulders	133,333	\$0.10	November 26, 2025
Glen Wallace	133,333	\$0.10	November 26, 2025
Total:	400,000		

PRIOR SALES

Since the date of incorporation, the Corporation has issued 2,400,000 Common Shares as follows:

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
September 24, 2020	100 ⁽¹⁾	\$0.05	\$5.00	Cash
October 21, 2020	1,999,900 ⁽¹⁾	\$0.05	\$99,995.00	Cash
December 30, 2020	400,000 ⁽²⁾	\$0.10	\$40,000	Cash
Total:	2,400,000		\$140,000	

Notes:

- (1) These Common Shares will be held in escrow. See “*Escrowed Securities*”.
- (2) These Common Shares were issued on a private placement basis to arm’s length parties of the Corporation and will not be held in escrow as they were issued at the issue price of \$0.10 under this Prospectus.

ESCROWED SECURITIES

2,000,000 Common Shares issued prior to this Offering (which were issued at a price of \$0.05, being below the issue price of \$0.10 under this Prospectus), and all Common Shares that may be acquired from treasury of the Corporation by Non-Arm’s Length Parties of the Corporation either under the Offering or otherwise prior to the date of the Final QT Exchange Bulletin will be deposited with the Trustee under the Escrow Agreement.

All Directors’ and Officers’ Options and all Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of Directors’ and Officers’ Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of Directors’ and Officers’ Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the CPC Escrow Agreement.

The following table sets out, as at the date hereof, the number of Common Shares, which are held in escrow.

Name and Municipality of Residence of Shareholder	Number of Common Shares Held Prior to Offering	Number of Escrowed Common Shares ⁽²⁾	Percentage of Common Shares of the Corporation Prior to Giving Effect to the Offering ⁽¹⁾	Percentage of Common Shares of the Corporation After Giving Effect to the Offering ⁽²⁾⁽³⁾	Number of Directors' and Officers' Options held in escrow
Michael Romanik Brandon, Manitoba	1,400,000	1,400,000	58.3%	31.8%	133,334
Joseph Jerome Smulders Vancouver, British Columbia	300,000	300,000	12.5%	6.8%	133,333
Glen Wallace North Saanich, British Columbia	300,000	300,000	12.5%	6.8%	133,333
Total:	2,000,000	2,000,000	83.3%	45.5%	400,000

Notes:

- (1) Based on 2,400,000 Common Shares issued and outstanding prior to giving effect to the Offering.
- (2) Assuming no Common Shares are purchased by the above shareholders under the Offering.
- (3) Based on 4,400,000 Common Shares issued and outstanding after giving effect to the Offering. Assuming no Common Shares are purchased by the above shareholders under the Offering and assuming no exercise of the Agent's Warrants and the Directors' and Officers' Options.

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 Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it 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 company.

Under the Escrow Agreement:

- (a) all Directors' and Officers' Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of the Directors' and Officers' Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than Directors' and Officers' Options that were granted prior to the Corporation's IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such Directors' and Officers' Options which will be released from escrow in accordance with (b);
- (b) except for the Directors' and Officers' Options and Common Shares issued pursuant to the exercise of such Directors' and Officers' Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
TOTAL	100%

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 existing Principals of the Corporation and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, upon the issuance by the Exchange of a bulletin delisting the Corporation, the Trustee is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Corporation that were issued at a price below the Offering price under this prospectus and all Directors' and Officers' Options and Common Shares issuable upon exercise of Directors' and Officers' Options held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange bulletin.

Escrowed Securities on Qualifying Transaction

Generally, in connection with the Qualifying Transaction, subject to certain exemptions, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the policies of the Exchange.

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 of Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Prior to Giving Effect to the Offering⁽¹⁾	Percentage of Common Shares Owned After Giving Effect to the Offering⁽²⁾⁽³⁾
Michael Romanik	Legal and Beneficial	1,400,000	58.3%	31.8%
Joseph Jerome Smulders	Legal and Beneficial	300,000	12.5%	6.8%
Glen Wallace	Legal and Beneficial	300,000	12.5%	6.8%

Notes:

- (1) Based on 2,400,000 Common Shares issued and outstanding prior to giving effect to the Offering.
- (2) Based on 4,400,000 Common Shares issued and outstanding after giving effect to the Offering. Assuming no Common Shares are purchased by the above shareholders under the Offering and assuming no exercise of the

Agent's Warrants and the Directors' and Officers' Options.

- (3) On a fully diluted basis under the Offering, assuming full exercise of the Agent's Warrants and the Directors' and Officers' Options, Michael Romanik will hold 30.67%, Joseph Jerome Smulders will hold 8.67%, and Glen Wallace will hold 8.67% of the issued and outstanding Common Shares.

DIRECTORS, OFFICERS AND PROMOTER

The following are the names and municipalities of residence of the directors, officers and Promoter of the Corporation, their positions and offices with the Corporation, their principal occupations during the last five years, and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name, Address, and Position	Director/ Officer Since	Principal Occupation for Past Five Years	Common Shares Held (Percentage and Number of Common Shares before Closing)	Number and Percentage of Common Shares Beneficially Owned Directly or Indirectly Upon Closing ⁽¹⁾⁽²⁾⁽³⁾
Michael Romanik ⁽⁴⁾ Manitoba, Canada <i>Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Director and Promoter</i>	September 24, 2020	President and CEO of GoldON Resources Ltd. since 2009. President and CEO of Silver Dollar Resources Inc. since 2018.	1,400,000 (58.3%)	1,400,000 (31.8%)
Joseph Jerome Smulders ⁽⁴⁾ British Columbia, Canada <i>Director</i>	October 21, 2020	Financial consultant. Chief Financial Officer of Silver Dollar Resources Inc. since 2018. Chief Financial Officer of GoldON Resources Ltd. since 2007.	300,000 (12.5%)	300,000 (6.8%)
Glen Wallace ⁽⁴⁾ British Columbia, Canada <i>Director</i>	October 21, 2020	President of CS Compliance Solutions Inc. Chief Financial Officer of Great Thunder Gold Corp. since 2013. Chief Compliance Officer of GoldON Resources Ltd. since 2019.	300,000 (12.5%)	300,000 (6.8%)
Total:			2,000,000 (83.3%)	2,000,000 (45.5%)

Notes:

- (1) These Common Shares will be held in escrow. See "Escrowed Securities".
 (2) Assuming no Common Shares are purchased by the above directors and officers of the Corporation under the Offering, and assuming no exercise of the Agent's Warrants and the Directors' and Officers' Options.
 (3) On a fully diluted basis under the Offering, assuming full exercise of the Agent's Warrants and the Directors' and Officers' Options, Michael Romanik will hold 30.67%, Joseph Jerome Smulders will hold 8.67%, and Glen Wallace will hold 8.67% of the issued and outstanding Common Shares.

(4) Denotes a member of the Audit Committee of the Corporation.

The term of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the officers expires at the discretion of the Corporation's directors.

Michael Romanik – Age: 41 – Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Director, Audit Committee Member, and Promoter

Mr. Romanik is the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, a director and the Promoter of the Corporation and provides his services to the Corporation on a part-time basis. He has served as the Chief Executive Officer, Chief Financial Officer, director, and Promoter of the Corporation since September 24, 2020. He will devote approximately 50% of his time to the affairs of the Corporation. In his capacity as Chief Executive Officer, his responsibilities include managing the day-to-day operations of the Corporation, executing policies implemented by the board of directors of the Corporation and reporting back to the board of directors of the Corporation.

Mr. Romanik is a power engineer. Mr. Romanik has been a director of GoldON Resources Ltd. (TSXV: GLD) ("**GoldON**") since 2008 and has been the President and Chief Executive Officer of GoldON since 2009. Mr. Romanik is also the President, Chief Executive Officer and a director of Silver Dollar Resources Inc. (CSE: SLV) since 2018. Prior to that, Mr. Romanik was the President of Mainstream Minerals Corporation, as well as Vice President of Pebble Creek Mining Ltd. (TSXV: PEB).

Mr. Romanik is an independent contractor of the Corporation and has not entered into any non-competition or non-disclosure agreements with the Corporation.

Joseph Jerome Smulders – Age: 70 – Director and Audit Committee Member

Mr. Smulders is a director of the Corporation and provides his services to the Corporation on a part time basis. He has served as a director of the Corporation since October 21, 2020. He will devote approximately 25% of his time to the affairs of the Corporation.

Mr. Smulders is a retired Chartered Professional Accountant and Certified Management Accountant. Mr. Smulders obtained his Bachelor of Science degree in mathematics from the University of British Columbia in 1972 and his Master of Business Administration degree from City University, Vancouver in 1985. Mr. Smulders has specific expertise working with resource-based companies within the Canadian capital markets. He is focused on developing and managing the assets of mining corporations, while simultaneously building senior management teams and corporate growth strategies.

Mr. Smulders is the former President and CFO of Snipgold Corp. (TSXV: SGG). Mr. Smulders is currently the Chief Financial Officer and a director of GoldON Resources Ltd. (TSXV: GLD) since 2007, the Chief Financial Officer and a director Silver Dollar Resources Inc. (CSE: SLV) since 2018, and the Corporate Secretary of Silver Dollar Resources Inc. (CSE: SLV) since 2019.

Mr. Smulders is an independent contractor of the Corporation and has not entered into any non-competition or non-disclosure agreements with the Corporation.

Glen Wallace – Age: 58 – Director and Audit Committee Member

Mr. Wallace is a director of the Corporation and provides his services to the Corporation on a part time basis. He has served as a director of the Corporation since October 21, 2020. He will devote approximately 25% of his time to the affairs of the Corporation.

Mr. Wallace is the President and a director of CS Compliance Solutions Inc., a private consulting company focused on regulatory compliance for Canadian and US public companies. Mr. Wallace earned his Chartered Professional Accountant designation in 1985 and was a partner in the Victoria, British Columbia accounting firm of Austin Chan & Wallace. Mr. Wallace earned a Master of Business Administration degree from Laurentian University in 2006 and received advance specialty certificates in forensic and investigative accounting and securities fraud analysis from the British Columbia Institute of Technology in 2008 and 2012, respectively.

Mr. Wallace is currently the Chief Financial Officer and Corporate Secretary of Great Thunder Gold Corp. (CSE: GTG) and the Chief Compliance Officer of GoldON Resources Ltd. (TSXV: GLD). He is a former director of Linear Gold Corp., Sierra Capital Corp. and Resolve Ventures Inc. (TSXV: RSV).

Mr. Wallace is an independent contractor of the Corporation and has not entered into any non-competition or non-disclosure agreements with the Corporation.

Other Corporate Information

Pursuant to the provisions of the CBCA, the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of Michael Romanik, Joseph Jerome Smulders and Glen Wallace.

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 Significant Assets.

Prior to this Offering, the directors and officers beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,000,000 Common Shares, representing 83.3% of the issued and outstanding Common Shares as at the date hereof and 45.5% assuming completion of the Offering.

The Corporation's by-laws also include advance notice provisions, which apply once the Corporation becomes a public company. Pursuant to these advance notice provisions, nominations of persons for election to the Board may be made at any annual meeting of shareholders or special meeting of shareholders, if one of the purposes of that special meeting was the election of directors, by or at the direction of the Board or any authorized officer; by one more shareholders pursuant to the provisions of the CBCA or by any shareholder (a "**Nominating Shareholder**") who follows specific notice procedures in the Corporation's Articles (the "**Advance Notice Procedures**"). Further to the Advance Notice Procedures, a Nominating Shareholder must give written notice to the Secretary of the Corporation within the following time periods: not less than 30 and not more than 65 days prior to the date of an annual meeting of shareholders and no later than the close of business on the 15th date after a special meeting of shareholders is called, subject to various adjustments. The written notice must set forth specific information regarding Board nominees such as the name, age, address, principal occupation

and number of shares owned by the nominee in the Corporation, including other information required to be disclosed in a dissident's proxy circular pursuant to the CBCA and applicable securities laws. The Nominating Shareholder must also state in the written notice any proxy, contract or arrangement of the Nominating Shareholder through which the Nominating Shareholder has a right to vote any shares of the Corporation, including other information required to be disclosed in a dissident's proxy circular pursuant to the CBCA and applicable securities laws. The Chairman of the shareholder meeting has the power and duty to determine whether a nomination for election of a director was made in accordance with the Advance Notice Procedures, and if not in compliance, the nomination will be considered defective and disregarded.

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 or Promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term From - To
Michael Romanik	GoldON Resources Ltd.	TSXV	President, CEO	August 2009 to present
			Director	April 2008 to present
	Silver Dollar Resources Inc.	CSE	President, CEO and Director	November 2018 to present
Joseph Jerome Smulders	GoldON Resources Ltd.	TSXV	Chief Financial Officer, Corporate Secretary and Director	June 2007 to present
			Silver Dollar Resources Inc.	CSE
	Corporate Secretary	July 2019 to present		
Glen Wallace	Great Thunder Gold Corp.	CSE	Chief Financial Officer and Corporate Secretary	February 2013 to present
	GoldON Resources Ltd.	TSXV	Chief Compliance Officer	November 2019 to present

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or was within ten years before the date of the Prospectus, a director, officer, Insider or Promoter of any other issuer that:

- (a) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director, officer, Insider,

Promoter or shareholder was acting in the capacity as director, officer, Insider or Promoter; or

- (b) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director, officer, Insider, Promoter or shareholder ceased to be a director, officer, Insider or Promoter and which resulted from an event that occurred while that person was acting in the capacity as director, officer, Insider or Promoter.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) 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
- (b) 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.

Bankruptcies

No director, officer, Insider or promoter of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director, officer, Insider or Promoter of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the director, officer, Insider, Promoter or shareholder.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation may be subject in connection with the operations of the Corporation. All of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where the directors, officers, Insiders and Promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the CBCA.

Audit Committee

The Corporation is required to include in this Prospectus the disclosures required under Form 52-110F2 – *Disclosure by Venture Issuers*, with respect to the audit committee (the “**Audit Committee**”) of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule “B”), and the fees paid to the external auditor.

The current members of the Audit Committee are Michael Romanik, Joseph Jerome Smulders, and Glen Wallace. Joseph Jerome Smulders, and Glen Wallace are independent members. Michael Romanik is not independent because he is an officer of the Corporation. As the Corporation is a "venture issuer" for the purposes of NI 52-110, the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members. All of the current and proposed members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial period has the Corporation relied on the exemption in Section 2.4 of NI 52-110 [De Minimis Non-audit Services], or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Charter

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "B" to this Prospectus.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditor in the financial year ended December 31, 2020, are approximately as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2020	\$5,000	Nil.	\$1,000	Nil.

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and, if applicable, quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture Issuer". As a result, the Corporation is exempt from the requirements of Part 3 [Composition of Audit Committee] and Part 5 [Reporting Obligations] of NI 52-110.

Executive Compensation

Except as set out below or otherwise disclosed in this Prospectus, prior to Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly to 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, other than:

- (a) grants of CPC Stock Options as described in "*Options to Purchase Securities*";
- (b) payment for and reimbursement of certain expenses as described in "*Use of Proceeds – Permitted Use of Funds*" and "*Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties*"; and
- (c) finder's fees as described in "*Use of Proceeds – Finder's Fees*."

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

DILUTION

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of \$0.023 per Common Share or 23% on the basis of there being 4,400,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to the filing of this Prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

Item	Total Offering (\$)
Gross proceeds of prior share issuances	140,000
Gross proceeds of this Offering	200,000
Total gross proceeds after this Offering	340,000
Offering price per share	\$0.10
Proceeds per share after this Offering	\$0.077
Dilution per share to subscriber	\$0.023
Percentage of dilution in relation to offering price	23%

RISK FACTORS

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The following are risk factors associated with the Corporation:

- (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 this 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 – Conflicts of Interest*";
- (d) the Corporation is relying solely on its past business experience of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Corporation. In such event, the Corporation will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found;
- (e) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of \$0.023 per Common Share or 23%;
- (f) 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;

- (g) until Completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (h) 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. The Corporation will also be in competition with other corporations with greater resources;
- (i) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (j) Completion of the 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;
- (k) 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 fair value for the Common Shares;
- (l) 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 may 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;
- (m) trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;
- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;

- (q) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Issuer will be able to recover that loan; and
- (r) if the Corporation does not list the Common Shares on the Exchange prior to the time of closing in the manner contemplated under the heading "Eligibility for Investment", adverse tax consequences will arise with respect to any Common Shares held in RRSPs, RRIFs, TFSA's or other deferred plan.

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

LEGAL PROCEEDINGS

The Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings, which are material to its business. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a "related issuer" or "connected issuer" of the Agent for the purposes of National Instrument 33-105 – *Underwriting Conflicts*. The Agent was not involved in the decision by the Corporation to distribute Common Shares pursuant to the Offering, nor was the Offering requested or suggested to the Corporation by the Agent. The Agent, through its corporate finance department was involved in the determination of the terms of the Offering in its capacity as agent for the sale of the Common Shares on a "commercially reasonable efforts" basis. The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Corporation and the only proceeds of the Offering to be received by it is the remuneration to be paid to it in connection with the sale of the Common Shares, which includes the Agent's Commission, the Administration Fee payable to it and the issuance of the Agent's Warrants. See "*Plan of Distribution*".

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by MLT Aikins LLP, on behalf of the Corporation, and by Miller Thomson LLP, on behalf of the Agent.

As of the date hereof, no "professional person" (including the Corporation's auditor, Scarrow & Donald LLP, and any partner or associate of MLT Aikins LLP and Miller Thomson LLP) holds any beneficial interest, direct or indirect, in any securities or properties of the Corporation or an Associate or Affiliate of the Corporation. In addition, no "professional person" 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 of an Associate or Affiliate of the Corporation.

The partners and associates of MLT Aikins LLP and Miller Thomson LLP may subscribe for Common Shares pursuant to the Offering.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is Scarrow & Donald LLP at its office at 5 Donald St, Winnipeg, MB R3L 2T4.

Computershare Trust Company of Canada, at its office located at 510 Burrard Street, Vancouver, BC V6C 3B9, is the transfer agent and registrar for the Common Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers of the Corporation have all acquired Common Shares and are expected to receive the Directors' and Officers' Options.

Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Corporation, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Corporation. See "*Options to Purchase Securities*", "*Escrowed Securities*" and "*Principal Shareholders*".

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares hereunder other than the following:

1. Agency Agreement dated [●], 2021 between the Corporation and the Agent. See "*Plan of Distribution*".
2. Escrow Agreement dated [●], 2021 among the Corporation, the Trustee and those shareholders that executed such agreement. See "*Escrowed Securities*".
3. Transfer Agent and Registrar Agreement dated [●], 2021 between the Corporation and the Trustee.

Copies of these agreements will be available for inspection at the registered office of the Corporation located at 360 Main Street, Winnipeg, Manitoba, R3C 4T3 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. Copies of these agreements will also be available on the Corporation's SEDAR profile at www.sedar.com.

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of

the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PURCHASERS' STATUTORY RIGHTS

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

ELIGIBILITY FOR INVESTMENT

In the opinion of MLT Aikins LLP, counsel to the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force on the date hereof and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, if the Common Shares were issued on the date hereof and listed and posted for trading on a "designated stock exchange" as defined in the Tax Act (which currently includes Tier 2 of the Exchange) or if the Corporation was a "public corporation" on the date hereof, as that term is defined in the Tax Act, then the Common Shares would at that time be a "qualified investment" for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund" ("**RRIF**"), "tax-free savings account" ("**TFSA**"), "registered education savings plan" ("**RESP**"), "deferred profit sharing plan" and "registered disability savings plan" ("**RDSP**"), as those terms are defined in the Tax Act (collectively, the "**Plans**").

Purchasers who intend to hold Common Shares in a Plan should consult their own tax advisors regarding whether such securities are a "qualified investment" at the relevant time for such Plan.

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

Notwithstanding that a Common Share may be a qualified investment for a TFSA, RRSP, RRIF, RESP or RDSP (a "**Registered Plan**"), the annuitant of the RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the "**Controller**") will be subject to a penalty tax in respect of Common Shares acquired by a Registered Plan if such Common Shares are a "prohibited investment" for the particular Registered Plan. The Common Shares will generally be a "prohibited

investment” of a Registered Plan if the Controller of the Registered Plan does not deal at arm’s length with the Corporation for the purposes of the Tax Act or has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. In addition, the Common Shares will not be a “prohibited investment” if the Common Shares are “excluded property” as defined in the Tax Act for a Registered Plan.

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

SCHEDULE "A" – FINANCIAL STATEMENTS

Financial Statements of the Corporation, audited for the period ended December 31, 2020.

ANACOTT ACQUISITION CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020

January •, 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Anacott Acquisition Corporation:

Opinion

We have audited the financial statements of Anacott Acquisition Corporation (the Company), which comprise the statement of financial position as at December 31, 2020 and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statements of cash flows for the period from incorporation on September 24, 2020 to December 31, 2020, 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 Company as at December 31, 2020 and its financial performance and its cash flows for the period from incorporation on September 24, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

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 Company 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of \$32,075 during the period from incorporation on September 24, 2020 to December 31, 2020. As stated in Note 1, certain events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 IFRS's, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chartered Professional Accountants
Winnipeg, Manitoba

ANACOTT ACQUISITION CORPORATION

STATEMENT OF FINANCIAL POSITION

	December 31 2020
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 119,735
Prepaid	<u>15,000</u>
	<u>\$ 134,735</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	<u>\$ 16,000</u>
SHAREHOLDERS' EQUITY	
Share capital (Note 5)	138,000
Contributed surplus	12,810
Deficit	<u>(32,075)</u>
	<u>118,735</u>
	<u>\$ 134,735</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

ANACOTT ACQUISITION CORPORATION

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Period from incorporation on September 24, 2020 to <u>December 31, 2020</u>
Expenses:	
Bank charges	\$ 15
Filing fees	5,250
Legal and accounting fees	14,000
Share based compensation (Note 6 & 7)	<u> 12,810</u>
Loss and comprehensive loss for the period	\$ <u> 32,075</u>
Loss per share, basic and diluted (Note 9)	\$ <u> 0.02</u>
Weighted average number of common shares outstanding (Note 9)	<u> 1,462,654</u>

ANACOTT ACQUISITION CORPORATION

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from incorporation on
September 24, 2020 to December 31, 2020

	<u>Number of Shares</u>	<u>Share Capital</u>	<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Total</u>
Balance, beginning of period	-	\$ -	\$ -	\$ -	\$ -
Common shares issued	2,400,000	140,000	-	-	140,000
Share issue costs	-	(2,000)	-	-	(2,000)
Share based compensation	-	-	12,810	-	12,810
Loss for the period	-	-	-	(32,075)	(32,075)
Balance, end of period	<u>2,400,000</u>	<u>\$ 138,000</u>	<u>\$ 12,810</u>	<u>\$ (32,075)</u>	<u>\$ 118,735</u>

ANACOTT ACQUISITION CORPORATION

STATEMENT OF CASH FLOWS

	Period from incorporation on September 24, 2020 to <u>December 31, 2020</u>
Cash flow from operating activities:	
Net loss for the period	\$ (32,075)
Adjustment for item not affecting cash:	
Share based compensation	12,810
Changes in non-cash working capital:	
Prepaid	(15,000)
Accounts payable and accrued liabilities	<u>16,000</u>
	<u>(18,265)</u>
Cash flow from financing activities:	
Common shares issued	140,000
Share issue costs	<u>(2,000)</u>
	<u>138,000</u>
Change in cash for the period	119,735
Cash, beginning of period	<u>-</u>
Cash, end of period	\$ <u><u>119,735</u></u>

ANACOTT ACQUISITION CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON SEPTEMBER 24, 2020 TO DECEMBER 31, 2020

1. Nature of operations:

Anacott Acquisition Corporation (the “Company”) was incorporated on September 24, 2020 under the laws of Canada. The Company is in the process of applying to become a capital pool company (“CPC”) as defined in TSX Venture Exchange Policy 2.4, and accordingly, its planned principal activity is to use its capital to investigate and acquire a business or group of assets (the “Qualifying Transaction”).

The registered and records office and the head office of the Corporation is located at 360 Main Street, Winnipeg, Manitoba, R3C 4G1 Canada.

Since incorporation on September 24, 2020, the Company has had no active business operations. There is no certainty that its shares will be listed for trading or that it will complete a Qualifying Transaction.

The Company has incurred losses since inception and has an accumulated deficit of \$32,075 as at December 31, 2020. The Company's ability to continue its operations is dependent upon finding and completing a Qualifying Transaction, obtaining additional financing or maintaining continued support from shareholders and creditors and generating profitable operations in the future. The COVID-19 pandemic could result in delays in finding and completing a Qualifying Transaction and may have a negative impact on the Company's ability to raise new capital. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

These financial statements were authorized by the board of directors on January ●, 2021.

2. Statement of compliance and basis of presentation:

a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies described herein.

b) Basis of presentation

These financial statements are prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars.

3. Significant accounting policies:

a) Cash -

Cash includes cash on hand, balances in trust, bank deposits and short-term deposits with remaining maturities at the time of acquisition of three months or less.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**3. Significant accounting policies** (continued):

b) Income taxes-

Current income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities including interest. 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.

Deferred income taxes

Deferred income tax assets and liabilities are recognized in respect of temporary differences between the tax base and carrying value of assets and liabilities and unrealized tax losses.

Deferred income tax assets are recognized to the extent that it is regarded as probable that the deductible temporary differences can be realized. The recoverability of all tax assets is reassessed at the end of each reporting period. Deferred income tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability will be settled, based on rates enacted or substantively enacted at the end of the reporting period.

c) Share capital-

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

d) Share based payments-

The Company has a stock option plan which allows directors, officers, employees and consultants to acquire shares of the Company. Options granted under the Company's stock option plan vest as determined by the directors at the time of grant. The fair value of options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the stock options are awarded to directors, officers or employees, the fair value is measured at the grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless the fair value cannot be estimated reliably, in which case they are recorded at the fair value of the equity instruments granted.

The Company has adopted the fair value method of accounting for all share based compensation. The fair value of stock options granted is determined using the Black-Scholes option pricing model. Share based compensation is expensed over the period of vesting and initially credited to contributed surplus. Any consideration paid on the exercise of stock options is credited to share capital. When options are exercised, previously recorded compensation is transferred from contributed surplus to share capital to fully reflect the consideration for the shares issued.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**3. Significant accounting policies** (continued):

e) Loss per share-

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated based on the weighted average number of common shares outstanding during the period plus the effect of dilutive share equivalents such as convertible debentures, options or deferred common shares. The treasury stock method is used to calculate the dilutive effect on per common share amounts resulting from outstanding stock options. Under this method, the weighted average number of additional shares is calculated assuming the proceeds that arise from the exercise of the outstanding options are used to purchase common shares of the Company at their average market price for the period.

f) Financial instruments-

Financial assets must be classified and measured on the basis of both the business model in which the assets are managed and the contractual cash flow characteristics of the asset. Financial assets must be classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL. Initially, all financial assets and financial liabilities are recorded in the balance sheets at fair value. After initial recognition, the effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as FVTPL are included in net loss for the period in which they arise. Financial assets measured at amortized cost or those measured at FVTOCI, except for investment in equity instruments, at each balance sheet date requires an impairment analysis using the expected credit loss model to determine the expected credit losses using judgment determined on a probability weighting basis.

All financial instruments are measured at amortized cost.

The Company assesses impairment of all financial assets, except those classified as FVTPL. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in net loss.

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: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**3. Significant accounting policies** (continued):

g) Future changes to significant accounting policies-

Amendment to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current. In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company is currently assessing the impact of this amendment.

4. Significant accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected. Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable. The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future.

Estimates

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**5. Share capital:**

The authorized capital of the Company consists of an unlimited number of common shares.

Holders of common shares are entitled to one vote per common share, along with dividends if, as and when declared by the board of directors and the right to receive a pro rata share of the remaining assets of the Company upon its dissolution.

During the period from incorporation on September 24, 2020 to December 31, 2020, the Company issued 2,400,000 common shares for gross proceeds of \$140,000.

In conjunction with the Company's application to become a CPC, 2,000,000 of the common shares outstanding at December 31, 2020 will be held in escrow to be released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 18 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

6. Stock options:

The Company adopted a stock option plan (the "Plan") under which it can grant options to directors, officers, employees, and consultants. The total number of options issued and outstanding at any time cannot exceed the higher of i) 10% of the issued and outstanding common shares of the Company and ii) 10% of the issued and outstanding common shares of the Company at the closing of the Company's initial public offering, unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a maximum five-year term and are non-transferable.

During the period from incorporation on September 24, 2020 to December 31, 2020, the fair value of each stock option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions used for the grant: dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.44% and expected life of 5 years.

A summary of the status of the Company's outstanding options as of December 31, 2020 and changes during the period from incorporation on September 24, 2020 to December 31, 2020 are as follows:

	Period from incorporation on September 24, 2020 to December 31, 2020	
	Options	Average Price
Options, beginning of the period	-	\$ -
Options issued	400,000	0.10
Options outstanding and vested, end of period	<u>400,000</u>	<u>\$ 0.10</u>
Weighted average remaining life (years)	<u>4.91</u>	

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020

6. Stock options (continued):

The stock options outstanding as at December 31, 2020 are:

<u>Exercise Price</u>	<u>Number outstanding and vested</u>	<u>Remaining outstanding contractual life (years)</u>
\$ 0.10	400,000	4.91

In conjunction with the Company's application to become a CPC, the 400,000 stock options outstanding at December 31, 2020 will be held in escrow to be released in accordance with TSX Venture Exchange Policy 2.4 over a period of up to 18 months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

7. Related parties:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2020, the Company had no amounts due from or due to related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, directly and indirectly, and include directors, the chief executive officer and chief financial officer of the Company.

During the period from incorporation on September 24, 2020 to December 31, 2020, \$12,810 was recorded as share based compensation costs for key management personnel.

8. Income taxes:

The deferred income tax assets of the Company consists of the following:

	<u>December 31 2020</u>
Deferred income tax assets:	
Non-capital loss carryforward	\$ 5,231
Share issue costs	511
	<u>(5,742)</u>
Less: deferred income tax assets not recognized	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**8. Income taxes** (continued):

A reconciliation between the statutory Canadian income tax rate and the actual effective rate is as follows:

	December 31
	2020
Net loss before income taxes	\$ (32,075)
Basic statutory rate	<u>27.0%</u>
Expected income taxes recovery	(8,660)
Impact of:	
Share issue costs	(540)
Share-based compensation	3,458
Non-recognition of non-capital loss carryforward	<u>5,742</u>
Provision for income taxes	\$ <u>-</u>

As it is uncertain and therefore not probable that the deferred income tax assets will be realized, the Company has not recognized a deferred income tax asset.

The Company has \$19,373 of loss carryforwards available that will expire in 2040.

9. Basic and diluted loss per share:

The calculation of basic and diluted loss per share for the period from incorporation on September 24, 2020 to December 31, 2020 was based on the loss attributable to common shareholders of \$32,075 and the weighted average number of common shares outstanding of 1,462,654. Stock options were not included in the calculation of diluted earnings per share because they are antidilutive for the period from incorporation on September 24, 2020 to December 31, 2020.

10. Risk Management and fair values:

Management's risk management policies are typically performed as a part of the overall management of the Company's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Company is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. As a part of the overall operation of the Company, management considers the avoidance of undue concentrations of risk. These risks and the actions taken to manage them include the following:

Liquidity risk-

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company's main sources of liquidity are its operations and external borrowings. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Company's financial obligations associated with financial liabilities.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020

10. Risk Management and fair values (continued):**Credit risk-**

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Interest rate risk-

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Fair values-

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at the financial statement date may not represent fair values at any other date. The determination of fair value is affected by the use of judgment and by uncertainty. The carrying value of the financial instruments measured at amortized cost approximates the fair values of these financial instruments.

11. Management of capital:

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company manages its capital in order to safeguard its ability to continue as a going concern, to help ensure that returns are provided to shareholders, and to help ensure an appropriate balance of risk and return, and to pursue the completion of a Qualifying Transaction.

The Company monitors capital and cash flows required to achieve its business objectives. The Company may seek additional capital when considered to be appropriate, but there is no assurance that the Company will be able to secure the necessary capital when required.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than \$3,000 per month may be used to cover reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON
SEPTEMBER 24, 2020 TO DECEMBER 31, 2020**12. Subsequent events:**

The Company has entered into an agency agreement with Canaccord Genuity Corp. (the "Agent") dated January ●, 2021 to act as agent with respect to its proposed initial public offering (the "IPO") as a CPC. The Company is committed to issue a maximum of 2,000,000 common shares for gross proceeds of a maximum of \$200,000. The Agent will receive a cash commission of 10% of the gross proceeds of the IPO, payable at the closing of the IPO. The Agent will be paid an administration fee of \$15,000 and will be reimbursed by the Company for its expenses and legal fees, of which a retainer of \$15,000 has been paid. In addition, the Agent will be issued agent's warrants in an amount equal to 10% of the number of common shares issued entitling the Agent to purchase common shares of the Company at a price of \$0.10 per common share for a period of 5 years from the date the closing of the IPO. The Company has granted the Agent a right of first refusal for all brokered equity financings that the Company proposes to undertake until the date that is the earlier of the closing of the Company's Qualifying Transaction and 5 years from the closing of the IPO. The Agent will also have a right of first refusal to provide sponsorship services for any Qualifying Transaction if a sponsor is required by the TSX Venture Exchange.

On January ●, 2021, the Company filed a prospectus for the listing of its shares on the TSX Venture Exchange and offering up to 2,000,000 common shares for gross proceeds of up to \$200,000 common shares on an initial public offering as a CPC.

SCHEDULE "B" – AUDIT COMMITTEE CHARTER

SCHEDULE "A"

**ANACOTT ACQUISITION CORPORATION
AUDIT COMMITTEE CHARTER**

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Anacott Acquisition Corporation (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any

matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting

principles and practices as suggested by the Auditor, internal auditor or management.

- (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
- (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

CERTIFICATE OF THE CORPORATION

Date: January 22, 2021

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

(Signed) MICHAEL ROMANIK
Chief Executive Officer, Chief Financial
Officer, Corporate Secretary and Director

(Signed) GLEN WALLACE
Director

(Signed) JOSEPH JEROME SMULDERS
Director

CERTIFICATE OF THE PROMOTER

Date: January 22, 2021

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

(Signed) MICHAEL ROMANIK

CERTIFICATE OF THE AGENT

Date: January 22, 2021

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 British Columbia, Alberta, Manitoba, and Saskatchewan.

CANACCORD GENUITY CORP.

(Signed) FRANK SULLIVAN
Vice President, Sponsorship, Investment Banking

DATE: January 22, 2021

ACKNOWLEDGEMENT - PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes the information contained in any Items in the attached prospectus that are analogous to Items 4.2, 6.7, 11.1, 13.1, 14, 15 and 21 of Exchange Form 3A, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the prospectus; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described on Appendix 6B or as otherwise identified by the Exchange, from time to time.

ON BEHALF OF THE BOARD

(Signed) MICHAEL ROMANIK
Chief Executive Officer, Chief Financial
Officer, Corporate Secretary and Director