

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

## PROSPECTUS

**Initial Public Offering**

**February 14, 2018**

### **NAVION CAPITAL INC. (a capital pool company)**

**Offering: \$200,000 or 2,000,000 Class A Common Shares  
Price: \$0.10 per Class A Common Share  
Agent's Options (as hereinafter defined)  
Stock Options (as hereinafter defined)**

Navion Capital Inc. (the "**Corporation**") hereby offers on a commercially reasonable efforts basis through its agent, Canaccord Genuity Corp. (the "**Agent**"), 2,000,000 Class A common shares (the "**Offering**") in the capital of the Corporation (the "**Offered Shares**"), at a price of \$0.10 per Offered Share (the "**Offering**"), for aggregate gross proceeds of \$200,000. This Offering is offered only in the provinces of Alberta and British Columbia and in such other jurisdictions where the Offered Shares may be sold without requirement for registration or filing of a prospectus (the "**Offering Jurisdictions**"). The purpose of the 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 hereinafter 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 hereinafter defined, must also receive Majority of the Minority Approval, as hereinafter defined, in accordance with Policy 2.4 of the Exchange (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, as hereinafter defined, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "*Business of the Corporation*" and "*Use of Proceeds*".

	<b>Offered Shares</b>	<b>Price to Public</b>	<b>Agent's Commission<sup>(2)</sup></b>	<b>Net Proceeds to the Corporation<sup>(3)(4)</sup></b>
Per Offered Share <sup>(1)</sup>	1	\$0.10	\$0.01	\$0.09
Offering <sup>(3)(4)</sup>	2,000,000	\$200,000	\$20,000	\$180,000

**Notes:**

- (1) Pursuant to the Agency Agreement (as hereinafter defined), an Offering of 2,000,000 Offered Shares are offered hereunder, not including the Agent's Option (as hereinafter defined) or the Stock Options (as hereinafter defined) to be granted concurrently with Closing, as hereinafter defined, to the directors and officers of the Corporation to purchase an aggregate of 400,000 Class A common shares at a price of \$0.10 per common share, which Stock Options and Agent's Options are also qualified for distribution under this prospectus. See "*Option to Purchase Securities - Stock Options*".
- (2) The Agent will receive a commission (the "**Agent's Commission**") equal to 10% of the gross proceeds from the sale of the Offered Shares pursuant to this Offering, payable in cash on the Closing Date, as hereinafter defined. The Agent will also be paid an administration fee equal to \$10,000 (the "**Administration Fee**") on the Closing Date, to be paid in cash. The Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees plus disbursements and will be granted the Agent's Options referred to herein, which are exercisable for a period of 24 months from the Listing Date (as hereinafter defined). This Offering qualifies the distribution of the Agent's Options to the maximum extent permitted by NI 41-101, as defined herein. See "*Plan of Distribution – Agency Agreement and Agent's Compensation*".
- (3) Before deducting the costs of this issue estimated at \$69,500, which includes audit fees and other expenses of the Corporation, including amounts spent to the date of this Offering, the Corporate Finance Fee, legal fees, printing fees, filing fees, disbursements and the listing fees payable to the Exchange, of which \$15,000 in respect of the Agent's expenses, including the Agent's legal fees and disbursements, has been paid for at the date hereof. See "*Use of Proceeds*".
- (4) Unless an amendment to the final prospectus is filed and the "principal regulator" under NP 11-202, as hereinafter defined, (the "**Securities Regulatory Authority**") has issued a receipt for the amendment, the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the final prospectus by the Securities Regulatory Authority and, in any event, not later than 180 days after the date of the receipt for the preliminary prospectus.

This Offering is made on a "commercially reasonable efforts" basis by the Agent and is subject to a minimum subscription of 2,000,000 Offered Shares, for gross proceeds to the Corporation of \$200,000. The offering price of the Offered Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Offered Shares will be held by the Agent pursuant to the terms of the Agency Agreement. If the Offering

is not completed within 90 days of the issuance of a Final Receipt (as hereinafter defined) 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.

Pursuant to the Agency Agreement, the Agent will receive a non-transferrable option (the "**Agent's Option**") to acquire up to 10% of the number of Offered Shares sold under the Offering at a price of \$0.10 per common share, exercisable for a period of 24 months from the Listing Date (as hereinafter defined). The Agent shall receive 200,000 Agent's Options assuming completion of the Offering. The Agent's Options are qualified for distribution under this prospectus. See "*Plan of Distribution –Agency Agreement and Agent's Compensation*".

In addition, the Corporation intends to grant at the Closing, stock options to the directors and officers to purchase, in aggregate 400,000 Class A common shares assuming completion of the Offering, at a price of \$0.10 per common share, exercisable for a period of five (5) years from the date of grant (the "**Stock Options**"), which options are qualified under this prospectus. See "*Plan of Distribution*", "*Description of Share Capital*" and "*Options to Purchase Securities*".

Other than the initial distribution of the Offered Shares pursuant to this prospectus, the grant of the Agent's Options and the grant of the Stock Options to the directors and officers of the Corporation, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 - *Passport System* ("**MI 11-102**") and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* ("**NP 11-202**") and the time the Class A common shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority grants a discretionary order.

The Exchange has conditionally approved the listing of the Class A common shares of the Corporation. Listing will be subject to the Corporation fulfilling all of the requirements of the Exchange.

**Investment in the Offered 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*".

**There is no market through which the Offered Shares may be sold and purchasers may not be able to resell the Offered Shares purchased under this prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.** See "*Risk Factors*". Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per common share of approximately \$0.025 or 25%. The Corporation was only recently incorporated and does not currently own any assets other than cash.

The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction which receives Exchange approval and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval of the Corporation's shareholders. There can be no assurance that the Corporation will successfully complete a Qualifying Transaction. Although the Corporation has commenced the process of identifying potential acquisitions, the Corporation has yet to enter into any negotiations with respect to such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required to meet such obligation. Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such Person, as hereinafter defined, or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of Class A common shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Exchange may suspend from trading or de-list the Class A common shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the date of listing. The Executive Director of a securities commission may issue an interim cease trade order against the Corporation's securities if the Class A common shares of the Corporation are suspended from trading on the Exchange

and will issue an interim cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Class A common shares will result in the cancellation of all or a portion of the Class A common shares of the Corporation owned by Insiders, as hereinafter defined, issued prior to this Offering. Investors must rely solely on the expertise of the Corporation's Promoters, as hereinafter defined, directors and officers for any possible return on their investment. The Corporation's Promoters, directors, officers and Control Persons, as hereinafter defined, and their Associates, as hereafter defined, and Affiliates, as hereafter defined, as a group, beneficially own or control, directly or indirectly, 2,000,000 Class A common shares, which represent 100% of the issued and outstanding Class A common shares before giving effect to this Offering and will own approximately 25% of the issued and outstanding Class A common shares upon closing of the Offering. The directors and officers of the Corporation will only devote part of their time 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. See "*Capitalization*", "*Business of the Corporation*", "*Directors, Officers and Promoter*", "*Use of Proceeds*", "*Directors, Officers and Promoters – Conflicts of Interest*" and "*Risk Factors*".

This Offering is subject to the CPC Policy and the securities laws of the Offering Jurisdictions.

The Agent, conditionally offers these Offered Shares, on a "commercially reasonable efforts" agency basis, if, as and when subscriptions are accepted by the Corporation and the Agent, 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 TingleMerrett LLP, Calgary, Alberta, on behalf of the Corporation and by Miller Thomson LLP, Vancouver, British Columbia, on behalf of the Agent. Pursuant to the CPC Policy, no purchaser of Offered Shares is permitted to directly or indirectly purchase more than 2% of the total Offered Shares or 40,000 Offered Shares (\$4,000) under this prospectus. In addition, the maximum number of Offered Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Offered Shares or 80,000 Offered Shares (\$8,000) 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 Offered Shares sold under the Offering will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. ("CDS") or its nominee, pursuant to the book-based system administered by CDS. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Offered Shares were purchased. See "*Depository Services*".

Agent for the Offering:  
**Canaccord Genuity Corp**  
**2200 – 609 Granville Street**  
**Vancouver, British Columbia V7Y 1H2**  
**Telephone: (604) 643-7300**  
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## GLOSSARY

**"Administration Fee"** means the \$10,000 payable to the Agent under the Agency Agreement, to be paid in cash at the time of 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 securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

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

**"Agency Agreement"** means the agency agreement between the Corporation and the Agent dated February 14, 2018.

**"Agent"** means Canaccord Genuity Corp.

**"Agent's Commission"** means the commission issued by the Corporation to the Agent equal to 10% of the gross proceeds from the sale of the Offered Shares, payable in cash.

**"Agent's Option"** means the non-transferrable option issued by the Corporation to the Agent entitling the Agent to acquire up to 10% of the total number of Offered Shares sold under the Offering at a price of \$0.10 per common share. The Agent may exercise all or part of the Agent's Option at any time for a period ending 24 months from the Listing 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 Corporation to provide financing sponsorship and other advisory services, and specifically means:

- (a) Subject to subparagraphs (b), (c) and (d) **"Aggregate 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 **"Aggregate 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 **"Aggregate Pro Group"** for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length to the Member;

- (d) The Member may deem a Person who would otherwise be included in the "**Aggregate Pro Group**" pursuant to subparagraph (a) to be excluded from the "**Aggregate 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.

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

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

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

"**Associate**" when used to indicate a relationship with a Person, means:

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10 percent 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 a Person who is an individual:
  - (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 applicable Exchange rules with respect to that Member firm, Member corporation or holding company.

"**Closing**" means the completion of the Offering.

"**Closing Date**" means the date the Offering is completed.

"**common shares**" means the Class A common shares without par value in the share capital of the Corporation.

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

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

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

"**Corporation**" means Navion Capital Inc., a corporation incorporated under the *Business Corporations Act* (Alberta), having its registered office in the City of Calgary, in the Province of Alberta.

"**CPC**" means a corporation:

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

"**CPC Policy**" means Policy 2.4 – *Capital Pool Companies* of the Exchange.

"**CRA**" means Canada Revenue Agency.

"**Escrow Agent**" means TSX Trust Company, a trust company having an office in Calgary, Alberta, and the corporation's registrar and transfer agent.

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

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

"**Final Receipt**" means the receipt issued for this prospectus by the Principal Regulator pursuant to National Policy 11-102 – *Process for Prospectus Reviews in Multiple Jurisdictions*.

"**Incentive Stock Option Plan**" means the Corporation's stock option plan pursuant to which the Corporation may issue options to its directors, officers and technical consultants exercisable for up to 10% of the Corporation's issued and outstanding common shares as at the Closing of the Corporation's IPO.

"**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.

"**Initial Public Offering**" or "**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:

- (i) a director or officer of the Issuer;
- (ii) a Person who performs functions similar to those normally performed by a director or officer;
- (iii) a director or officer of the company that is an Insider or subsidiary of the Issuer;
- (iv) 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
- (v) 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.

**"Listing Date"** means the date of listing of the common shares on the Exchange.

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

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

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

**"Member"** means a Person who has executed 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.

**"NEX"** means a market on which former Exchange and Toronto Stock Exchange Issuers that do not meet Exchange tier maintenance requirements for Tier 2 issuers may continue to trade.

**"NI 41-101"** means National Instrument 41-101 General Prospectus Requirements.

**"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 (including an Issuer) 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.
- (b) In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

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

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

**"Offered Shares"** means 2,000,000 common shares in the capital of the Corporation, to be offered by the Corporation through the Agent for aggregate gross proceeds of \$200,000.

**"Offering"** means the Offering of the Offered Shares in accordance with the terms of this prospectus.

**"Offering Jurisdictions"** means the provinces of British Columbia and Alberta and such other jurisdictions where the Offered Shares may be sold without requirement for registration or filing of a prospectus.

**"Optionee"** or **"Optionees"** means the recipient of a stock option under the Incentive Stock Option Plan.

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

**"Principal"** means:

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

The foregoing percentages include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

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

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

**"Pro Group"** has the meaning specified in Exchange Policy 1.1 – *Interpretation*.

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

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

**"Related Party Transaction"** has the meaning ascribed to that term under Exchange Policy 5.9 – *Protection of Minority Security holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

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

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

**"Seed Share Escrow Agreement"** means the escrow agreement dated February 14, 2018 between the Corporation, the Escrow Agent and certain shareholders of the Corporation.

**"Seed Shares"** means the 2,000,000 common shares issued by the Corporation prior to the Closing, at a price of \$0.05 per common share.

**"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**" has the meaning specified in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"**Stock Options**" means 400,000 options assuming completion of the Offering, to purchase common shares of the Corporation, exercisable at a price of \$0.10 per common share, to be granted concurrently with the Closing to its directors and officers, as described in "*Options to Purchase Securities*".

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

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

## PROSPECTUS SUMMARY

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

**Business of the Corporation:** The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. The Corporation has commenced the process of identifying potential acquisitions. To date, 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. An acquisition financed by the issuance of treasury shares could result in a change of control of the Corporation and may cause the shareholders' interest in the Corporation to be reduced. See "*Business of the Corporation*".

**Offering:** The Offering consists of an Offering of 2,000,000 Offered Shares for gross proceeds of \$200,000 are being offered and qualified under this prospectus at a price of \$0.10 per common share. In addition, the Corporation will issue to the Agent, the Agent's Option to purchase that number of common shares equal to 10% of the aggregate number of Offered Shares sold pursuant to this Offering, being 200,000 common shares at a price of \$0.10 per common share and which may be exercised for a period of 24 months from the Listing Date. The Agent's Option is qualified for distribution under this prospectus. See "*Plan of Distribution*".

The Corporation also intends to grant Stock Options concurrently with the Closing, to purchase an aggregate of 400,000 common shares assuming completion of the Offering, to the current directors and officers of the Corporation, all of which Stock Options are qualified for distribution under this prospectus. Such options will be exercisable at \$0.10 per common share for a period of five years from the Closing Date. See "*Options to Purchase Securities - Stock Options*" and "*Plan of Distribution*".

**Agent's Option:** The Agent will be granted an option to purchase that number of common shares that is equal to 10% of the number of common shares subscribed for under this Offering, exercisable at a price of \$0.10 per common share for a period of 24 months after the Listing Date. The Agent's Option and the common shares issuable upon the exercise thereof are qualified for distribution pursuant to this prospectus. See "*Plan of Distribution*".

**Use of Proceeds:** The total estimated funds to the Corporation, including total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and Agent's Commission, will be approximately \$210,500. The net funds available will provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of \$210,000 or 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets. See "*Use of Proceeds*".

**Directors and Officers:** The directors and officers of the Corporation and the positions held by each of them are as follows:

Livio Susin	President, Chief Executive Officer, Chief Financial Officer, Secretary, Promoter and Director
Peter Hughes	Director
Scott M. Reeves	Director

See "*Directors, Officers and Promoter*" and "*Promoters*".

**Escrow:** All of the 2,000,000 Seed Shares issued by the Corporation prior to the Closing will be deposited in escrow pursuant to the terms of the Seed Share Escrow Agreement, and will

be released in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "*Escrowed Securities*".

**Dividend Policy:**

It is not contemplated that any dividends will be paid on the common shares in the immediate or foreseeable future. See "*Description of Share Capital - Dividend Record and Policy*".

**Risk Factors:**

Investment in the Offered Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. 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. **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 devote only part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Offered Share of approximately \$0.025 or 25%.

There can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell the Offered Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

## THE CORPORATION

The Corporation was incorporated on October 18, 2017 pursuant to the provisions of the *Business Corporations Act* (Alberta) under the name "Navion Capital Inc.". The articles were amended on November 30, 2017 to remove the restrictions against share transfers and other restrictions applicable to private issuers.

The registered office and head office of the Corporation is located at 1250, 639 – 5<sup>th</sup> Ave. SW, Calgary, Alberta T2P 0M9.

## BUSINESS OF THE CORPORATION

### Preliminary Expenses

To date, the Corporation has raised \$100,000 through the sale of 2,000,000 common shares. (See "*Prior Sales*" and "*Capitalization*"). As at the date hereof, the Corporation has paid to the Agent a retainer of \$15,000 to be applied towards the expenses of the Agent. In addition, the Corporation has paid \$5,000 (plus G.S.T.) to the Exchange, as part of the Corporation's initial listing fee.

Part of the net proceeds of the Offering will be utilized to satisfy the obligations of the Corporation related to this Offering, including the fees and commissions of the Agent, the expenses of its auditors, legal counsel and the Agent's legal counsel and the filing fees of the Exchange and applicable securities regulatory authorities. See "*Use of Proceeds*".

### Proposed Operations until Completion of a 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. The Corporation currently intends to pursue a Qualifying Transaction in the mining and exploration industry but there is no assurance that this will in fact be the business sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.

Until Completion of a 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 - Private Placement for Cash*" and "*Use of Proceeds - Restrictions on Use of Proceeds*", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

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

### Method of Financing

The Corporation may use cash, bank financing, 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 board of directors of the Corporation proposes to identify acquisitions of interests in assets or businesses through discussions with various business associates and contacts of the Corporation's officers and directors. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which it may acquire an interest in the asset or business. The board of directors 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 having regard to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's 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 either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non-Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2, as the case may be, of the Exchange. Upon acceptance by the Exchange, the Corporation must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR, or
- (b) mail the information circular and related proxy material to its shareholders and file same on SEDAR in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

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

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

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

## **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 an Agreement in Principle 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 Agreement in Principle or if the Corporation fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the common shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the Corporation within 24 months of the date of listing. In the event that the common shares of the Corporation 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 remaining assets in some other manner. See "*Business of the Corporation - Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction*".

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

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

If the Corporation's common shares are listed on NEX, it must continue to comply with all requirements and restrictions of the CPC Policy.

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

## USE OF PROCEEDS

### Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Offered Shares offered by this prospectus will be \$200,000. The gross proceeds received by the Corporation from the sale of common shares prior to the date of this Prospectus were \$100,000. The expenses and costs associated with the Offering, including the Agent's Commission, are expected to be in the order of approximately \$89,500. All such costs and expenses will be paid from the working capital of the Corporation, which will include the proceeds of the Offering. The total estimated funds to the Corporation, including total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and Agent's Commission, will be approximately \$210,500.

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
Gross cash proceeds raised prior to the Offering (Seed Shares) <sup>(1)</sup>	\$100,000
Gross cash proceeds to be raised pursuant to the Offering	\$200,000
Expenses and costs relating to raising Seed Share proceeds	Nil <sup>(2)</sup>
Estimated expenses and costs relating to the Offering <sup>(3)</sup>	(\$89,500)
<b>Estimated funds available on completion of the Offering<sup>(4)</sup></b>	<b>\$210,500</b>
Funds available for identifying and evaluating assets or business prospects <sup>(4)(5)</sup>	\$175,500
Estimated general and administrative expenses until Completion of a Qualifying Transaction	\$35,000
<b>TOTAL NET PROCEEDS</b>	<b>\$210,500</b>

#### Notes:

- (1) See "Prior Sales".
- (2) No issue costs have been allocated towards the issuance of these common shares. See the Corporation's balance sheet as at November 30, 2017.
- (3) Expenses and costs of the Offering include, but are not limited to: Agent's Commission of \$20,000; the Administration Fee payable to the Agent of \$10,000; the reasonable out-of-pocket costs and expenses of the Agent (including legal fees of the Agent not including disbursements and applicable taxes) estimated to be \$15,000; legal fees of the Corporation estimated at \$20,000 plus disbursements and applicable taxes; audit fees of the Corporation estimated at \$5,000 plus applicable taxes; and filing fees payable to securities regulatory authorities and listing fees payable to the Exchange estimated at \$19,500 plus applicable taxes.
- (4) In the event the Agent exercises the Agent's Option and the directors and officers exercise their Stock Options, there will be available to the Corporation an additional \$60,000, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (5) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$175,500 on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

### Permitted Use of Funds

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

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

- (i) valuations or appraisals;
- (ii) business plans;
- (iii) feasibility studies and technical assessments;

- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) agent's fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and, in the case of a Non-Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction.

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

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

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

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

Until Completion of a Qualifying Transaction, no proceeds will be used to acquire or lease a vehicle.

### **Private Placements for Cash**

After the Closing 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 a Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be common shares. Subject to certain limited exceptions, any common shares issued pursuant to the private placement to Non-Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

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

Except as described under "*Options to Purchase Securities*" and "*Use of Proceeds - Restrictions on Use of Proceeds*", 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 a Non-Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

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

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

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

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

## PLAN OF DISTRIBUTION

### Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public 2,000,000 Offered Shares at a price of \$0.10 per Offered Share for aggregate gross proceeds of \$200,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive an Agent's Commission equal to 10% of the aggregate gross proceeds from the sale of the Offered Shares, payable in cash. In addition, the Corporation will pay the Agent an Administration Fee equal to \$10,000 to be paid in cash from the Offering proceeds at Closing. The Corporation will pay the Agent's expenses, legal and search fees, plus disbursements and taxes, of which a retainer of \$15,000 has been paid to date.

The Corporation has also agreed to grant to the Agent a non-transferable Agent's Option which entitles the Agent to purchase up to 10% of the total number of Offered Shares sold under the Offering at a price of \$0.10 per common share and which may be exercised for a period of 24 months from the Listing Date. In the event of the closing of the Offering, an aggregate of 200,000 Agent's Options will be granted.

Not more than 50% of the aggregate number of common shares which can be acquired by the Agent on the exercise of the Agent's Option 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.

All of the Agent's Option shall be qualified by this prospectus.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Offered 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 sole 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 notify the Agent (the "**Financing Notice**") of the terms of any brokered equity financing of securities that it requires or proposes to undertake during the term of this agreement and until that day (the "**ROFR Termination Date**") which is the earlier of: (a) the date which falls twenty four (24) months from the Listing Date; and (b) the date of the closing of the Qualifying Transaction, provided such date is not greater than twenty-four (24) months from the Listing Date. The Agent will have the right of first refusal to provide any such financing as agent or underwriter

(the “**Financing ROFR**”) on the terms set out in the Financing Notice for any brokered offering of securities by the Corporation. The Agent will also have a right of first refusal to provide sponsorship services (if required) for any Qualifying Transaction for the period ending on the ROFR Termination Date unless the Exchange has advised the Agent in writing that it may not act as Sponsor in connection with the Qualifying Transaction.

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

The total Offering is for 2,000,000 Offered Shares for total gross proceeds of \$200,000. Under the CPC Policy, no purchaser of Offered Shares is permitted to directly or indirectly purchase more than 2% of the total Offered Shares in the Offering, or 40,000 Offered Shares (\$4,000). In addition, the maximum number of Offered Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Offered Shares in the Offering, or 80,000 Offered Shares (\$8,000). The funds received from the Offering will be held by the Agent, and will not be released until proceeds of a minimum of \$200,000 has been deposited. The total subscription must be completed within 90 days of the date of the Final Receipt, or such other time as may be consented to by the Agent or 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.

### **Determination of Price**

The Offering price of the Offered Shares hereunder was determined by negotiation between the Corporation and the Agent.

### **Listing Application**

The Exchange has conditionally approved the listing of the Class A common shares of the Corporation subject to the Corporation fulfilling all of requirements of the Exchange.

### **Subscriptions by the Aggregate Pro Group**

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

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

The Agent has advised the Corporation that to the best of its knowledge and belief, none of the directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for Offered Shares of the Corporation prior to this Offering and any subscriptions for Offered Shares of the Corporation by such persons under this Offering will be in accordance with the CPC Policy and related policies of the Exchange.

### **Restrictions on Trading**

Other than the initial distribution of the Offered Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Stock Options to the directors and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator and the time the common shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

### **Other Securities to be Distributed**

The Corporation intends to grant Stock Options to purchase concurrently with the Closing, 400,000 common shares assuming completion of the Offering, to its current directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "*Options to Purchase Securities*".

## DESCRIPTION OF SHARE CAPITAL

### 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, 2,000,000 are issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation. See "*Plan of Distribution*".

In addition, 200,000 common shares are reserved for issuance pursuant to the Agent's Option, 400,000 common shares are reserved for issuance to directors and officers pursuant to the Stock Options. All common shares to be outstanding after completion of the Offering will be fully paid and non-assessable common shares in the capital of the Corporation. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

The holders of common shares are entitled to vote at all meetings of shareholders of the Corporation, to receive dividends if, as and when declared by the directors and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation.

As at the date of this prospectus, the Corporation has no outstanding loans or other debt obligations and there has been no material change in the common share and loan capital of the Corporation since the date of its most recent balance sheet contained in the prospectus. See "*Prior Sales*" and "*Options to Purchase Securities*".

### Class B Common Shares

The Corporation is authorized to issue an unlimited number of class B common shares without nominal or par value of which, as at the date hereof, there are currently none issued and outstanding.

### Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares without nominal or par value of which, as at the date hereof, there are currently none issued and outstanding.

The Preferred Shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions and conditions which the board of directors of the Corporation determines prior to the issue thereof. The Preferred Shares rank prior to the common shares with respect to the payment of dividends and distribution in the event of liquidation, dissolution or winding-up of the Corporation.

### Dividend Record and Policy

The Corporation has not paid any dividends on its outstanding common shares of the Corporation since the date of its incorporation. 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. All of the common shares of the Corporation are entitled to an equal share in any dividends declared and paid.

## CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the date of the statement of financial position contained herein and as at the date hereof, both before and after giving effect to the Offering.

Designation of Security	Amount Authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus <sup>(1)</sup>	Amount outstanding as of the date hereof <sup>(1)</sup>	Amount to be outstanding after giving effect to the Offering <sup>(2)(3)(4)</sup>
Common	unlimited	2,000,000	2,000,000	4,000,000 <sup>(5)</sup>

Shares		Common Shares (\$100,000)	Common Shares (\$100,000)	Common Shares (\$300,000)
Class B Common Shares	Unlimited	Nil	Nil	Nil
Preferred Shares	Unlimited	Nil	Nil	Nil

**Notes:**

- (1) As at the date of the most recent statement of financial position contained herein and as at the date hereof, the Corporation had not commenced commercial operations.
- (2) 400,000 common shares will be reserved for issuance pursuant to the Stock Options to be granted to directors and officers of the Corporation concurrently with the Closing and exercisable at a price per common share of \$0.10 for a period of five years from the date of grant. In addition, pursuant to the Agency Agreement, the Corporation has agreed to grant to the Agent, the Agent's Option on completion of the Offering to purchase an aggregate of 200,000 common shares at a price of \$0.10 per common share, for a period of 24 months from the Listing Date. Assumes that the balance of the Agent's Commission and Administration Fee will be paid in cash. See "*Plan of Distribution*" and "*Options to Purchase Securities*".
- (3) See "*Use of Proceeds*".
- (4) Represents gross proceeds of this Offering and prior issues of the Corporation, before deducting the expenses of the Offering estimated at \$69,500 and the Agent's Commission equal to 10% of the gross proceeds from the sale of the Offered Shares. See "*Use of Proceeds*".
- (5) 2,000,000 of these common shares are subject to escrow restrictions. See "Escrowed Securities".

### Fully Diluted Share Capital

	Number of Common Shares	Percentage of Total
(a) Issued as of the date of this Prospectus <sup>(1)</sup>	2,000,000	43.48%
(b) Offered under the Prospectus	2,000,000	43.48%
(c) Common shares reserved for future issue <sup>(2)</sup>	600,000	13.04%
<b>Total</b>	<b>4,600,000</b>	<b>100%</b>

**Notes:**

- (1) See "Prior Sales".
- (2) The following common shares of the Corporation are reserved for future issuance:
  - (i) 200,000 common shares on exercise of the Agent's Option and 400,000 common shares pursuant to the stock option plan.

## OPTIONS TO PURCHASE SECURITIES

### Agent's Option

Pursuant to the Agency Agreement, the Corporation has agreed to grant to the Agent the Agent's Option on completion of the Offering to purchase an aggregate of 200,000 common shares at a price of \$0.10 per share, for a period of 24 months from the Listing Date. The Agent's Option to purchase 200,000 common shares is qualified for distribution pursuant to the prospectus. See "*Plan of Distribution*".

### Stock Options

The Corporation has adopted the Incentive Stock Option Plan and intends to enter into stock option agreements granting the Stock Options in accordance with the policies of the Exchange concurrently with the Closing, according to the following terms:

Name	Number of common shares underlying Stock Options to be granted After Giving Effect to the Offering <sup>(2)</sup>	Exercise or Base Price (\$/Security)	% of total Stock Options to be granted (excludes Agent's Options)	Market Value of common shares underlying Stock Options on the date of grant (\$/Security) <sup>(1)</sup>	Expiry Date
Livio Susin	200,000	\$0.10	50% / 50%	N/A	5 years from date of grant
Peter Hughes	160,000	\$0.10	40% / 40%	N/A	5 years from date of grant
Scott M. Reeves	40,000	\$0.10	10% / 10%	N/A	5 years from date of grant
<b>TOTAL</b>	<b>400,000</b>		<b>100% / 100%</b>		

**Notes:**

- (1) As the common shares were not listed on the Exchange at the date of the grant, the market value of the securities underlying the options on the date of grant is not available.
- (2) Stock Options to be granted concurrently with the Closing.

There are no assurances that the Stock Options described above will be exercised in whole or in part.

The Corporation intends to grant Stock Options concurrently with the Closing to purchase, in aggregate, 400,000 common shares to the directors and officers of the Corporation. The Stock Options are qualified for distribution pursuant to this prospectus. The Incentive Stock Option Plan provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with 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 10% of the Corporation's issued and outstanding common shares, exercisable for a period of up to a maximum of ten years from the date of grant, provided that, until the completion of the Qualifying Transaction, the number of common shares reserved for issuance shall not exceed 400,000. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the Optionee's position with the Resulting Issuer, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction (including the options in the above table) will be subject to escrow restrictions until the issuance of the Final Exchange Bulletin. See "*Escrowed Securities*".

### PRIOR SALES

Since the date of incorporation of the Corporation, 2,000,000 common shares have been issued as follows.

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
October 18, 2017	2,000,000	\$0.05	\$100,000	Cash
<b>TOTAL</b>	<b>2,000,000</b>		<b>\$100,000</b>	

All of the 2,000,000 Seed Shares issued and outstanding are subject to escrow in accordance with the CPC Policy. See "*Escrowed Securities*".

### ESCROWED SECURITIES

All of the 2,000,000 common shares issued prior to this Offering, at a price below \$0.10 per common share, 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 Completion of the Qualifying Transaction and all common shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Escrow Agent under the Seed Share Escrow Agreement.

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

In addition, all common shares of the Corporation acquired in the secondary market prior to the Completion of a Qualifying Transaction by a Person who is or becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed. Notwithstanding the foregoing, common shares acquired by Principals of the Corporation or Principals of the Resulting Issuer pursuant to a private placement will not be subject to escrow provided that various conditions, as set forth in the CPC Policy, are met. See "*Escrowed Securities on Private Placement*".

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 Escrowed	Percentage of Common Shares of the Corporation Prior to Giving Effect to the Offering	Percentage of Common Shares of the Corporation After Giving Effect to the Offering <sup>(1)</sup>
<b>Livio Susin</b> Vancouver, British Columbia	1,400,000	70.0%	35.0%
<b>Peter Hughes</b> Vancouver, British Columbia	500,000	25.0%	12.5%
<b>Scott M. Reeves</b> Calgary, Alberta	100,000	5.0%	2.5%
<b>TOTAL</b>	<b>2,000,000</b>	<b>100.00%</b>	<b>50.0%</b>

**Note:**

(1) Assuming no Offered Shares are purchased by these Persons under the Offering and assuming no exercise of the Agent's Option or Stock Options.

Where the common shares of the Corporation which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Seed Share Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Seed Share 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 any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer shares of that company.

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

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

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

If a Final Exchange Bulletin is not issued, the escrowed Seed Shares will not be released. Under the Seed Share Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds escrowed Seed Shares acquired at a price below the offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

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

## **Escrowed Securities on Qualifying Transaction**

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security escrow agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if fewer than 75% of the securities issued pursuant to the Qualifying Transaction are Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 Issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3-year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

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

## **Escrowed Securities on Private Placement**

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and:
  - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
  - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period; and
  - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

## **PRINCIPAL SHAREHOLDERS**

The following table lists those persons who own 10% or more of the issued and outstanding common shares as at the date hereof:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering <sup>(1)(2)</sup>
<b>Livio Susin</b> Vancouver, British Columbia	Direct	1,400,000	70.0%	35.0%
<b>Peter Hughes</b> Vancouver, British Columbia	Direct	500,000	25.0%	12.5%
<b>TOTAL</b>		<b>1,900,000</b>	95.0%	47.5%

**Notes:**

- (1) Assuming that no Offered Shares are purchased by this Person under the Offering and assuming no exercise of the Stock Options or Agent's Options.
- (2) On a fully diluted basis, assuming that no Offered Shares are purchased by this Person under the Offering, but assuming the exercise of all of the Agent's Options and the exercise of the Stock Options to be granted to the directors and officers of the Corporation, Livio Susin would own 34.78% (1,600,000 common shares) and Peter Hughes would own 14.34% (660,000 common shares). Livio Susin and Peter Hughes would collectively own approximately 49.13% (2,260,000 common shares) after giving effect to the Offering.

### **DIRECTORS, OFFICERS AND PROMOTER**

The following is a list of the current directors, officers and the Promoter of the Corporation, their municipalities of residence, their current positions with the Corporation and their principal occupations during the past five years:

***Livio Susin, Vancouver, British Columbia – President, Chief Executive Officer, Chief Financial Officer, Secretary, Promoter and Director (Age: 62)***

Mr. Livio Susin is the President, Chief Executive Officer, Chief Financial Officer, Secretary, Promoter and a director of the Corporation. Mr. Susin is also the legal and beneficial owner of 1,400,000 common shares of the Corporation amounting to 70.0% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Susin will be granted an option to purchase up to 200,000 common shares concurrently with the Closing and upon completion of the Offering. See "*Options to Purchase Securities*".

Mr. Susin is the Founder and President of Rewind Coffee Company Inc., a high-art coffee retailer with two locations in the Greater Vancouver area founded in 2013. He graduated in 1977 from BCIT with a degree in Business Administration and has been a director of Gravity West Mining Corp. (TSX:GRW) and RNS Software, Inc. (now REDtone Asia, Inc.) (OTCBB:RTAS).

Mr. Susin will devote approximately 30% of his time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

***Peter Hughes, Vancouver, British Columbia – Director (Age: 56)***

Mr. Peter Hughes is a director of the Corporation. Mr. Hughes is also the legal and beneficial owner of 500,000 common shares of the Corporation, amounting to 25% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Hughes will be granted an option to purchase up to 160,000 common shares concurrently with the Closing and upon completion of the Offering. See "*Options to Purchase Securities*".

Mr. Hughes has been a director of Kelso Technologies Inc., an industrial company listed on the TSX Exchange (the "TSX") and on the NYSE MKT (the "NYSE MKT"), since October 2010. He is a self-employed businessman. Mr. Hughes has 30 years' business experience including senior-level executive and director positions in both private and public companies specializing in pharmaceuticals, alternative energy and mining. Mr. Hughes has built industrial and resource companies from the ground up and has obtained regulatory and exchange approval for numerous reporting issuers. His experience includes corporate structuring, technology assessments, proprietary protection, public and private financings, negotiating property agreements, and public company management. He has also worked with National Research Council of Canada providing alternative energy companies with market intelligence and strategic planning. Mr. Hughes has a Bachelor of Science from University of British Columbia and has completed the Canadian Securities Course and Directors & Officers Program. Mr. Hughes currently serves as a director of Broome Capital Inc. a company listed on the Exchange, Chief Executive Officer and a director Gourmet Ocean Products Inc., a company listed on the Exchange, CEO and director of SIQ Mountain Industries Inc. listed on the Exchange and as a director of Naturally Splendid Enterprises Ltd., a company listed on the Exchange.

Mr. Hughes will devote the time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

**Scott M. Reeves, Calgary, Alberta** –Director (Age: 48)

Mr. Reeves is a director of the Corporation and is also the legal and beneficial owner of 100,000 common shares of the Corporation, amounting to 5.0% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Reeves will be granted an option to purchase up to 40,000 common shares concurrently with the Closing and upon completion of the Offering. See "*Options to Purchase Securities*".

Mr. Reeves is a partner at the law firm of TingleMerrett LLP. He has acted as corporate and securities counsel to numerous Canadian and International public and private corporations, including oil and gas, technology, mining and industrial issuers, and has wide experience in private and public debt and equity offerings, corporate acquisitions of assets and/or shares, corporate structuring and debt financing. He has extensive experience assisting issuers intending to list and operate on Canadian stock exchanges has taught nationally in the areas of exempt markets and e-Commerce financing. He is currently a director and/or officer of the several Canadian public and private companies. Mr. Reeves has been with TingleMerrett LLP since 2003 prior to which he was with the Calgary office of a major national law firm. Mr. Reeves has a Bachelor of Commerce degree (hons.-1990) from the University of Alberta and a Bachelor of Laws (hons.- 1995) degree from the University of Alberta and is a current executive member of the Advisory Board of the TSX Venture Exchange.

Mr. Reeves will devote approximately 5% of his time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Prior to the completion of the Offering, the directors and officers of the Corporation collectively hold 100% of the common shares of the Corporation. Following the completion of the Offering, the directors and officers of the Corporation will collectively hold approximately 50.0% of the common shares (assuming no exercise of the Agent's Option and Stock Options and assuming no common shares are purchased by the directors and officers pursuant to the Offering).

Mr. Livio Susin is the Promoter of the Corporation and, prior to the completion of the Offering, owns 70.0% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering.

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

Each of the directors currently has employment outside of the Corporation, but has agreed to devote as much of his time to the business and affairs of the Corporation as necessary to complete the Corporation's Qualifying Transaction, and to continue to oversee the operations of the Corporation. In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation, on a collective basis, possess the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

## Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters 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:

<b>Name of Director Officer or Promoter</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>Term</b>
Peter Hughes	Pan American Fertilizer Corp.	CSE	CEO and Director	Dec 2009 – Feb 2013
	Naturally Splendid Enterprises Ltd.	TSXV	Director	Dec 2010 – Present
	Kelso Technologies Inc.	TSX.TO NYSE.MKT	Director	Oct 2010 – Present
	Broome Capital Inc.	TSXV	President & Director	Mar 2012 – Present
	BHK Resources Inc.	TSXV	CEO and Director	Dec 2012 – Jan 2015
	Gourmet Ocean Products Inc.	TSXV	CEO and Director	Feb 2014 – Present
	SIQ Mountain Industries Inc.	TSXV	CEO and Director	May 2016 - Present
	Benchmark Botanicals Inc.	CSE	Director	Nov 2017- Present
Scott Reeves	Quattro Exploration & Production Ltd.	TSXV	Director & Corporate Secretary	Nov 2011 – March 2017
	Edge Resources Inc.	TSXV	Director & Corporate Secretary	June 2009 – April 2016
	Canyon Creek Food Company Ltd.	TSXV	Director & Corporate Secretary	July 2013 – July 2014
	Forent Energy Ltd. (successor to Seriatim Ventures Inc.)	TSXV	Director	May 2006 – July 2015
	Forent Energy Ltd. (successor to Seriatim Ventures Inc.)	TSXV	Corporate Secretary	May 2006 – Jan 2017
	Perisson Petroleum Corp.	TSXV	Corporate Secretary	May 2015 – Present
	Perisson Petroleum Corp.	TSXV	Director	Nov 2016 – Sept 2017
	Guardian Exploration Inc.	TSXV	Corporate Secretary	April 2006 – Oct 2013
	Guardian Exploration Inc.	TSXV	Director	Nov 2006 – Oct 2013
	Tallgrass Energy Corp.	TSXV	Corporate Secretary	April 2013 – June 2013
	Harbour Star Capital Inc.	TSXV	Director & Corporate Secretary	Jan 2015 - Present
	International Cannabrands Inc.	CSE	Director & Corporate Secretary	Feb 2017 - Present

## Committees

The Corporation currently has one committee, the Audit Committee, which consists of three directors:

Livio Susin  
Peter Hughes; and  
Scott Reeves.

The members of the Audit Committee are financially literate, as defined by National Instrument 52-110. It is anticipated that two additional committees will be struck in future: Compensation Committee and the Corporate Governance Committee.

## Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, Insider or Promoter or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other Issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order, or an order that denied such Issuer access to any statutory exemptions for a period of more than 30 consecutive days; or (b) 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.

Mr. Hughes served as a director and CEO of Molystar Resources Inc. from November 2005 to November 2011, which is a reporting company but never listed on any exchange. After its prospectus was received in 2008, it was unable to sell its offering in the fall of 2008 due to the depressed state of the capital markets. It did not have the funds to carry on business. Molystar Resources Inc. was subject to cease trade orders issued between May and August 2009 by the British Columbia, Ontario and Alberta Securities Commissions for failure to file audited financial statements for the year December 31, 2008 and interim financial statements for the period ended May 31, 2009.

Mr. Reeves was a director and Corporate Secretary of Guardian Exploration Inc. (“**Guardian**”) which, on May 1, 2008, the ASC issued a management cease trade order (“**MCTO**”) ordering the cessation of trading in the securities of Guardian by certain of its insiders, including Mr. Reeves. The MCTO was issued for failure to file its annual audited financial statements for the year ended December 31, 2007. On June 6, 2008, the ASC, pursuant to the filing of the annual audited financial statements of Guardian, revoked the MCTO.

On April 29, 2016, Edge Resources Inc., (“**Edge**”), of which Mr. Reeves was a director and corporate secretary, received an order of the Court of Queen’s Bench of Saskatchewan appointing Grant Thornton as receiver over the company’s Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen’s Bench of Alberta appointing Grant Thornton as receiver over the company’s Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016 Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton (the Receiver). This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge’s public filings. A copy of the order may be provided by request.

Mr. Reeves was a director and Corporate Secretary of Quattro Exploration and Production Ltd. (“**Quattro**”) when, on May 3, 2016, due to the failure of Quattro to file its annual audited financial statements and management discussion and analysis for the year ended December 31, 2015, the Alberta Securities Commission issued a management cease trade order (the “**Quattro MCTO**”) ordering the cessation of trading in the securities of Quattro by its senior management and directors, including Mr. Reeves. On June 15, 2016, the ASC, pursuant to the filing of the outstanding annual audited financial statements and management discussion and analysis of Quattro, revoked the Quattro MCTO. On September 8, 2016, Quattro received an order from the Court of Queen’s Bench of Alberta granting creditor protection pursuant to the Companies’ Creditors Arrangement Act (Alberta). The order was extended by the court until November 30, 2016 on October 7, 2016. On February 2, 2017, Quattro received an order of the Court of Queen’s Bench of Alberta appointing Hardy & Kelly Inc. as receiver over the company’s assets. On May 8, 2017, Quattro received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Quattro on February 2, 2017, the officers and directors of Quattro were no longer in control of the assets or undertaking of Quattro, being replaced by Hardy & Kelly Inc. (the Receiver). This made it impossible, following such date, for the directors of Quattro to affect the continuance of Quattro’s public filings. A copy of the order may be provided by request.

### **Penalties or Sanctions**

Other than as disclosed below, 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 any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

### **Personal Bankruptcies**

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, or a personal holding company of any such persons 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 has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

### **Conflicts of Interest**

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation will be subject in connection with the operations of the Corporation. 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 some or all of the directors, officers, Insiders and Promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

### **Executive Compensation**

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

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

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

The directors and officers of the Corporation will also be granted Stock Options as more particularly described in "*Options to Purchase Securities*".

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

### **PROMOTERS**

Livio Susin is considered to be the Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. See "*Prior Sales*", "*Directors, Officers and Promoters*", "*Principal Shareholders*" and "*Options to Purchase Securities - Stock Options*".

### **DILUTION**

Purchasers of Offered Shares under this prospectus will suffer an immediate dilution of approximately 25% or \$0.025 per Offered Share on the basis of there being 4,000,000 common shares of the Corporation issued and outstanding following completion of the 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 or to be incurred in connection with the Offering by the Corporation.

<b>Item</b>	
Gross proceeds of prior share issues	\$100,000
Gross proceeds of this Offering	\$200,000
<b>Total gross proceeds after this Offering</b>	<b>\$300,000</b>
Offering price per Offering Share	\$0.10
Proceeds per Offering Share after this Offering	\$0.0075

Item	
Dilution per Offering Share to subscriber	\$0.025
Percentage of dilution in relation to Offering price	25%

## RISK FACTORS

A purchase of Offered Shares of the Corporation and the purchaser's investment will be highly speculative due to the substantial risk of the Corporation's business and its present stage of development. The following are risk factors associated with the Corporation, which list is not exhaustive:

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. See "*Business of the Corporation - Proposed Operations until Completion of a Qualifying Transaction*";
- (b) the directors and officers of the Corporation will devote only 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, Officer and Promoter - Conflicts of Interests*";
- (c) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of approximately 25% or \$0.025 per Offered Share, calculated as set forth under "*Dilution*" above;
- (d) 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;
- (e) investment in the Offered Shares is highly speculative given the proposed nature of the Corporation's business and its present stage of development;
- (f) there can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell its Offered Shares;
- (g) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "*Business of the Corporation - Proposed Operations until Completion of a Qualifying Transaction*";
- (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;
- (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 a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval. See "*Business of the Corporation - Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction*";
- (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 of the Corporation 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 of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the

Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction. See *Business of the Corporation - Trading, Halts, Suspensions and Delisting*;

- (m) trading in the common shares of the Corporation 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. See *"Business of the Corporation - Trading, Halts, Suspensions and Delisting"*;
- (n) the Exchange will generally suspend trading in the Corporation's common shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing. See *"Business of the Corporation - Trading, Halts, Suspensions and Delisting"*;
- (o) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (p) 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;
- (q) 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. See *"Business of the Corporation - Method of Financing"*;
- (r) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$225,000 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. See *"Use of Proceeds - Permitted Use of Funds"*;
- (s) a maximum of \$25,000 in aggregate may also be advanced as a non-refundable deposit, unsecured deposit or advance to a target business, to preserve assets without prior Exchange acceptance and there is a risk that the Company may lose said sum if the Qualifying Transaction does not complete; and
- (t) if the Offered Shares are not listed and posted for trading on the Exchange at or prior to the time of the Closing of the Offering, the Offered Shares will not be a "qualified investment" for a trust governed by an Investment Plan (as such term is defined under the heading "Eligibility for Investment") and adverse tax consequences will arise for an Investment Plan that acquires Offered Shares and for the holder or annuitant, as the case may be, of such Investment Plan. Notwithstanding that an Offered Share may be a qualified investment, if the Offered Shares are a "prohibited investment" (as such term is defined under the heading "Eligibility for Investment") for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant thereof will be subject to a penalty tax in respect of the Offered Shares.

As a result of these factors, this Offering is suitable only for 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 Offered Shares.

### **LEGAL PROCEEDINGS**

The Corporation is not currently a party to any actual or pending legal proceedings, nor is the Corporation currently contemplating any legal proceedings, which are material to its business or of which any of its assets are likely to be subject. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

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

Neither the Corporation nor any of its directors or officers are a "related" or "connected issuer" as such terms are defined in National Instrument 33-105, *"Underwriting Conflicts"* of the Agent.

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

No beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an associate or affiliate of the Corporation, is held by a professional person, a responsible solicitor or any partner of a responsible solicitor's firm, other than Mr. Scott Reeves, a partner of TingleMerrett LLP, who holds 100,000 common shares.

Other than Mr. Reeves, no professional person, nor the responsible solicitor or any partner of the responsible solicitor's firm 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.

In this section, "professional person" means a person whose profession gives authority to a statement made by the person in the person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist.

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

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

#### **Auditor**

The auditor of the Corporation is Davidson & Company LLP, Professional Accountants, 1200 – 609 Granville Street, Pacific Centre, Vancouver, BC, Canada V7Y 1G6.

#### **Transfer Agent and Registrar**

The registrar and transfer agent of the common shares of the Corporation is TSX Trust Company, 10th floor, 300-5th Avenue SW, Calgary, AB T2P 3C4.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of directors, officers and any shareholder who beneficially own, directly or indirectly, more than 10% of the outstanding common shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation.

### **MATERIAL CONTRACTS**

The Corporation has not entered into any contracts material to investors in the common shares hereunder, other than the following:

- (a) Registrar and Transfer Agent Agreement dated as of February 14, 2018 between the Corporation and TSX Trust Company. See "*Auditor, Transfer Agent and Registrar*".
- (b) Agency Agreement dated as of February 14, 2018 between the Corporation and the Agent. See "*Plan of Distribution*".
- (c) Seed Share Escrow Agreement dated as of February 14, 2018 between the Corporation, the Escrow Agent and those shareholders that executed such agreement. See "*Escrowed Securities*".
- (d) Incentive Stock Option Plan dated as of February 14, 2018. See "*Options to Purchase Securities*".

Copies of these agreements will be available for inspection at the registered office of the Corporation, located at Suite 1250, 639 – 5<sup>th</sup> Ave. SW, Calgary, Alberta T2P 0M9 during ordinary business hours while the Offered Shares offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

## OTHER MATERIAL FACTS

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

## PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

## DEPOSITORY SERVICES

The Offered Shares will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS and certificates evidencing the Offered Shares will not be issued to purchasers. Purchasers will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares are purchased.

The ability of a beneficial owner of Offered Shares to pledge such shares or otherwise take action with respect to such owner's interest in such shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Neither the Corporation nor the Agent will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Offered Shares held by CDS or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Offered Shares; or (iii) any advice or representation made by or with respect to CDS and those contained in this prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS participants. The rules governing CDS provide that it acts as the agent and depository for the CDS participants. As a result, CDS participants must look solely to CDS and persons, other than CDS participants, having an interest in the Offered Shares must look solely to CDS participants for payments made by or on behalf of the Corporation to CDS in respect of the Offered Shares.

## ELIGIBILITY FOR INVESTMENT

In the opinion of TingleMerrett LLP, counsel for the Corporation, at the time of Closing on the Closing Date, provided that the Offered Shares are at that time listed and posted for trading on a designated stock exchange (which includes Tiers 1 and 2 of the Exchange), the Offered Shares will, at that time, be qualified investments under the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereto in effect on the date hereof for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered disability savings plan, deferred profit sharing plan, registered education savings plan or tax-free savings account ("**TFSA**"), all as defined in the Tax Act (collectively, the "**Investment Plans**").

The Offered 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 Offered Shares on the Exchange as of the day before the closing of the Offering, followed by an immediate halt in trading of the Offered Shares in order to allow the Corporation to satisfy the conditions of the Exchange and to have the Offered Shares listed and posted for trading prior to the issuance of the Offered Shares on the Closing of the Offering. The Corporation must rely on the Exchange to list the Offered Shares on the Exchange and have them posted for trading prior to the issuance of the Offered Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Offered Shares being listed on the Exchange at the time of their issuance on Closing. If the Offered Shares are not listed and posted for trading on the Exchange at the time of their issuance on the Closing of the Offering, the Offered Shares will not be qualified investments for the Investment Plans at that time.

Notwithstanding that an Offered Share may be a qualified investment, if the Offered Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF (a "**Registered Plan**"), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (such holder or annuitant being a "**Controlling Individual**" of

the Registered Plan) will be subject to a penalty tax in respect of the Offered Shares as set out in the Tax Act. An Offered Share will generally not be a prohibited investment for a trust governed by a Registered Plan provided that the Controlling Individual of the Registered Plan deals at arm's length with the Corporation for the purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Corporation. In general terms, a Controlling Individual of a Registered Plan will have a significant interest in the Corporation if the Registered Plan, the Controlling Individual, and other persons not dealing at arm's length with the Controlling Individual together, directly or indirectly, own not less than 10% of the outstanding Offered Shares or of any other class of shares of the Corporation or of any other corporation that is related to the Corporation. Investors should consult their own tax advisers with respect to whether Offered Shares will be a prohibited investment having regard to their particular circumstances.

**FINANCIAL STATEMENTS**

**Financial Statements of the Corporation, audited for the period ended November 30, 2017, are attached.**

**NAVION CAPITAL INC.**

Financial Statements  
November 30, 2017

(Expressed in Canadian Dollars)

## INDEPENDENT AUDITORS' REPORT

To the Directors of  
Navion Capital Inc.

We have audited the accompanying financial statements of Navion Capital Inc., which comprise the statement of financial position as at November 30, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on October 18, 2017 to November 30, 2017, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Navion Capital Inc. as at November 30, 2017 and its financial performance and its cash flows for the period from incorporation on October 18, 2017 to November 30, 2017 in accordance with International Financial Reporting Standards.



***Emphasis of Matter***

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Navion Capital Inc.'s ability to continue as a going concern.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

February 14, 2018

**NAVION CAPITAL INC.**  
Statement of Financial Position  
(Expressed in Canadian Dollars)

	Note	November 30, 2017
<b>Assets</b>		
<b>Current</b>		
Cash		\$ 82,375
		<b>82,375</b>
<b>Deferred financing cost</b>	<b>3</b>	<b>15,000</b>
<b>Total assets</b>		<b>\$ 97,375</b>
<b>Liabilities</b>		
<b>Current</b>		
Due to related party	<b>5</b>	\$ 9,050
<b>Current liabilities</b>		<b>9,050</b>
<b>Shareholders' equity</b>		
Share capital	<b>4</b>	<b>100,000</b>
Deficit		<b>(11,675)</b>
Total shareholders' equity		<b>88,325</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 97,375</b>

Nature and continuance of operations (Note 1)

On behalf of the Board on February 14, 2018:

\_\_\_\_\_  
"Peter Hughes" Director

\_\_\_\_\_  
"Livio Susin" Director

The accompanying notes are an integral part of these financial statements

**NAVION CAPITAL INC.**

## Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	For the period from incorporation on October 18, 2017 to November 30, 2017
<b>Expenses</b>		
Professional fees	5	\$ 11,675
<b>Loss and comprehensive loss</b>		<b>\$ (11,675)</b>
<b>Basic and diluted loss per share</b>		<b>-</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>-</b>

The accompanying notes are an integral part of these financial statements

**NAVION CAPITAL INC.**

## Statement of Changes in Shareholders' Equity

For the period from incorporation on October 18, 2017 to November 30, 2017

(Expressed in Canadian Dollars)

	Share Capital			
	Number	Amount	Deficit	Total
Balance at October 18, 2017	-	\$ -	\$ -	\$ -
Issuance of common shares	2,000,000	100,000	-	100,000
Net loss for the period	-	-	(11,675)	(11,675)
Balance at November 30, 2017	2,000,000	\$ 100,000	\$ (11,675)	\$ 88,325

The accompanying notes are an integral part of these financial statements

**NAVION CAPITAL INC.**  
Statement of Cash Flows  
(Expressed in Canadian Dollars)

	<b>For the period from incorporation on October 18, 2017 to November 30, 2017</b>
<b>Cash flows from operating activities</b>	
Net loss for the period	\$ (11,675)
<b>Changes in non-cash working capital balances:</b>	
Increase in due to related party	9,050
Net cash used in operating activities	<b>(2,625)</b>
<b>Cash flows from financing activities</b>	
Issuance of common shares	100,000
Deferred financing cost	<b>(15,000)</b>
Net cash provided by financing activities	<b>85,000</b>
<b>Increase in cash during the period</b>	<b>82,375</b>
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ 82,375</b>

There were no non-cash financing or investing activities for the period from incorporation on October 18, 2017 to November 30, 2017.

The accompanying notes are an integral part of these financial statements

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Navion Capital Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on October 18, 2017. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

The Company's ability to continue as a going concern is dependent upon its ability to complete its QT, to continue raising equity financing, to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not be appropriate.

As at November 30, 2017, the Company has a cumulative deficit of \$11,675 and a working capital surplus of \$73,325. There can be no assurance that a viable business opportunity that can be adequately financed will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward.

These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The registered office of the Company is located at 639 – 5<sup>th</sup> Avenue S.W., Suite 1250, Calgary, Alberta, Canada T2P 0M9. The Company does not have any subsidiaries.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

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

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements of Navion Capital Inc. for the period ended November 30, 2017 were approved and authorized for issue by the Board of Directors on February 14, 2018.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **Critical Accounting Estimates, Judgments and Assumptions**

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below. Significant judgments used in the preparation of these financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

#### *Deferred tax liabilities and assets*

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

#### **Share-based expense**

The Company accounts for stock options granted to directors, officers and employees at the fair value of the options granted. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to operations, with an offsetting credit to share-based expense reserve, over the vesting periods. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued. If it is determined that the fair value of the goods or services received cannot be readily measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

If and when the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

#### **Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding because the effect is anti-dilutive.

All of the 2,000,000 common shares outstanding as of November 30, 2017 are contingently cancellable and excluded from the calculation of the weighted average number of common shares outstanding.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **Impairment of tangible and intangible assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### **Financial instruments**

##### ***Financial assets***

Financial assets are classified into one of four categories:

- a) Fair value through profit or loss ("FVTPL");
- b) Held-to-maturity ("HTM");
- c) Loans and receivables; and
- d) Available for sale ("AFS").

##### ***Financial assets at fair value through profit or loss ("FVTPL")***

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss. The Company classified its cash as FVTPL, which is measured at fair value.

##### ***Held to maturity ("HTM")***

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **Financial instruments** *(continued)*

Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of loss and comprehensive loss.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

##### *Available for sale ("AFS")*

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of loss and comprehensive loss.

#### **Financial liabilities**

Financial liabilities are classified into one of two categories:

- a) Fair value through profit or loss; and
- b) Other financial liabilities

##### *Fair value through profit or loss*

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statements of loss and comprehensive loss.

##### *Other financial liabilities*

This category includes due to related party, which is recognized at amortized cost.

##### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **Financial instruments** *(continued)*

For all financial assets objective evidence of impairment could include:

- a) significant financial difficulty of the issuer or counterparty; or
- b) default or delinquency in interest or principal payments; or
- c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### **Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **Related party transactions**

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. Parties are also considered to be related if they are subject to common control, 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.

#### **Standards issued but not yet effective**

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at November 30, 2017 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 15, Revenue Recognition - Revenue from Contracts with Customers establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The extent of the impact of adoption has not yet been determined.

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **3. DEFERRED FINANCING COST**

In November 2017, the Company entered into an engagement agreement with Canaccord Genuity Corp. ("Canaccord") whereby Canaccord will act as agent for the Company to provide a public financing by way of an Initial Public Offering (the "Offering" or "IPO"). The Offering will be completed on a commercially reasonable basis to issue 2,000,000 common shares at a price of \$0.10 per share for proceeds of \$200,000.

As at November 30, 2017, the Company advanced \$15,000 to Canaccord. The amount has been recorded as a deferred financing cost and will be charged to share capital on completion of the Offering.

On the closing of the transaction, the Company will pay \$10,000 for administrative expenses, agents' fees equal to 10% of the gross proceeds from the sale of common shares and will issue agents' options equal to 10% of the issued common shares. The agents' options will be exercisable at \$0.10 for a period of twenty-four months from the date of the listing of the Company's shares.

In addition to the Offering, the Company will grant 400,000 stock options with an exercise price of \$0.10 per common share with a term of five years from the date of grant.

### **4. SHARE CAPITAL**

#### a) Authorized share capital:

As at November 30, 2017, the authorized share capital of the Company was as follows:

- an unlimited number of Class A common shares, of which there are 2,000,000 Class A common shares outstanding. Class A common shares are entitled to one vote per Class A common share, shall be entitled to receive and participate in any dividends declared, subject to the rights of the holders of the preferred shares.
- An unlimited number of Class B common shares, of which none are issued and outstanding. Class B shares are not entitled to voting rights and may receive dividends after preferred shares and Class A common shares; and
- An unlimited number of preferred shares without par value, of which none are issued and outstanding. Preferred shares may be issued from time to time in one or more series having the rights, privileges, restrictions and conditions which the board of directors determines prior to the issue. Preferred shares rank prior to the commons shares with respects to the payment of dividends.

#### b) Issued and outstanding share capital:

In October 2017, the Company issued 2,000,000 common shares at \$0.05 for cash proceeds of \$100,000 on incorporation.

#### c) Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

As at November 30, 2017 there were no stock options outstanding.

## **NAVION CAPITAL INC.**

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### **5. RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes certain executive directors, and entities controlled by such persons. The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors.

As at November 30, 2017, included in due to related party was \$9,050 in legal fees owed to a director of the Company.

### **6. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

### **7. FINANCIAL INSTRUMENTS AND RISK**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At November 30, 2017, the Company's financial instruments consist of cash and due to related party. The fair value of cash is based on level 1 inputs of the fair value hierarchy. The fair value of due to related party approximates its carrying values due to the relatively short-term to maturity.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at November 30, 2017, the Company had cash of \$82,375 and due to related party of \$9,050.

## NAVION CAPITAL INC.

Notes to the Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

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### 7. FINANCIAL INSTRUMENTS AND RISK *(continued)*

#### *Interest rate risk*

The Company has cash balances and is not exposed to any significant interest rate risk.

### 8. INCOME TAXES

A reconciliation of income tax (recovery) at statutory rates with the reported taxes for the period ended November 30, 2017 is as follows:

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	2017
Loss before income taxes	\$ (11,675)
Expected income tax (recovery)	\$ (3,000)
Change in unrecognized deductible temporary differences	3,000
Income tax recovery	\$ -

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The Company has a deferred tax asset from non-capital loss carry forwards of \$3,000. No deferred tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is not probable.

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been re-measured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The Company has approximately \$12,000 in non-capital losses for Canadian income tax purposes. These losses, if not utilized will expire through 2037.

## AUDITORS' CONSENT

The Board of Directors of Navion Capital Inc.

We have read the prospectus of Navion Capital Inc. (the "**Company**") dated February 14, 2018 relating to the sale and issue of 2,000,000 common shares at \$0.10 per share. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Company on the balance sheet of the Company as at November 30, 2017, and the statement of cash flows for the period from incorporation, on October 18, 2017 to November 30, 2017. Our report is dated February 14, 2018.

1200 – 609 Granville Street, Pacific Centre  
Vancouver, BC, Canada V7Y 1G6  
February 14, 2018

*“Davidson & Company, Chartered Accountants”*  
Davidson & Company, Chartered Accountants

**CERTIFICATE OF THE CORPORATION**

DATE: February 14, 2018

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 and Alberta and the regulations thereunder.

(Signed) "*Livio Susin*"

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**Livio Susin**

President, Chief Executive Officer, Chief  
Financial Officer, Secretary and Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) "*Peter Hughes*"

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**Peter Hughes**

Director

(Signed) "*Scott Reeves*"

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**Scott Reeves**

Director

**CERTIFICATE OF THE PROMOTER**

DATE: February 14, 2018

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 and Alberta and the regulations thereunder.

Per: (Signed) "*Livio Susin*"  
**Livio Susin**  
Promoter

**CERTIFICATE OF THE AGENT**

DATE: February 14, 2018

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 the securities legislation of British Columbia and Alberta and the regulations thereunder.

**CANACCORD GENUITY CORP.**

Per: **Signed** "*Frank G. Sullivan*"

Frank G. Sullivan

Vice-President, Sponsorship,

Investment Banking