

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

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

PRELIMINARY PROSPECTUS

Initial Public Offering

April 14, 2021

Magen Ventures I Inc.
(a Capital Pool Company)

Minimum Offering: \$3,000,000 or 30,000,000 Common Shares
Maximum Offering: \$4,000,000 or 40,000,000 Common Shares

Price: \$0.10 per Common Share

The purpose of this offering (the "**Offering**") is to provide Magen Ventures I Inc. (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 hereafter defined, in accordance with Exchange Policy 2.4 – *Capital Pool Companies*, (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

The Offering is being conducted on a commercially reasonable efforts basis by Canaccord Genuity Corp. (the "**Agent**") in the Provinces of British Columbia, Alberta and Ontario and consists of a minimum of 30,000,000 common shares (the "**Common Shares**") of the Corporation (the "**Minimum Offering**") and a maximum of 40,000,000 Common Shares (the "**Maximum Offering**") at a price of \$0.10 per Common Share (the "**Offering Price**") for total gross proceeds to the Corporation of a minimum of \$3,000,000 and a maximum of \$4,000,000. The Offering Price was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement, as hereinafter defined. If the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by 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 be granted a non-transferable option to purchase the number of Common Shares (the "**Agent's Option**") equal to 8% of offered securities sold at a price of \$0.10 per Agent's Share (as hereinafter defined), and expiring on the date that is five years from the date the Common Shares are listed on the exchange, being 2,400,000 Common Shares if the Minimum Offering is subscribed for and 3,200,000 Common Shares if the Maximum Offering is subscribed for. The grant of the Agent's Option is qualified under this Prospectus. See "Agency Agreement and Agent's Compensation". In addition, and subject to regulatory approval, the Corporation intends to grant Share Options (as defined herein) to directors and officers of the Corporation to purchase a number of Common Shares equal to 10% of the number of Common Shares issued under the Offering in excess of the Minimum Offering. An aggregate of 5,000,000 Share Options were previously granted to officers and directors of the Corporation on February 22, 2021, with an exercise price of \$0.05 per Common Share, and exercisable until February

22, 2026. The Corporation will issue an additional number of Share Options equal to 10% of the difference between the Common Shares sold under the Offering and the Common Shares sold assuming the Minimum Offering to directors and officers of the Corporation on the Closing Date, each with an exercise price of \$0.10 per Common Share, and exercisable for a period of five years from the Closing Date. See “Options to Purchase Securities”.

	<u>Price to Public</u>	<u>Agent’s Commission⁽¹⁾</u>	<u>Proceeds to Corporation⁽²⁾</u>
Per Common Share	\$0.10	\$0.008	\$0.092
Minimum Offering	\$3,000,000	\$240,000	\$2,760,000
Maximum Offering ⁽³⁾	\$4,000,000	\$320,000	\$3,680,000

Notes:

(1) The Agent will receive a cash commission equal to 8% of the gross proceeds to the Corporation. In addition, the Agent and its subagents, if any, will be granted the Agent’s Option, allowing it to purchase 2,400,000 Common Shares if the Minimum Offering is sold and 3,200,000 Common Shares if the Maximum Offering is sold, at a price of \$0.10 per Common Share exercisable for a period ending on the date which is the earlier of the date that is (a) five years from the date the Common Shares are listed on the Exchange; and (b) one year following the completion of the Corporation’s Qualifying Transaction. The Agent’s Option is qualified for distribution under this Prospectus. Pursuant to the CPC Policy, no more than 50% of the aggregate number of Common Shares that may be acquired pursuant to the Agent’s Option may be sold prior to Completion of a Qualifying Transaction and the remaining 50% may only be sold after Completion of a Qualifying Transaction. The Agent will be reimbursed for its expenses and legal fees incurred pursuant to the Offering, plus disbursements and taxes and will also receive a corporate finance fee equal to 1% of the gross proceeds of the Offering. See “Plan of Distribution”.

(2) Before deducting the costs of this issue, including listing and filing fees, the Agent’s expenses, legal fees disbursements and taxes payable thereon, the Agent’s administration fee, the Corporation’s legal fees, audit fees and expenses, estimated at \$107,000 assuming the Minimum Offering and \$117,000 assuming the Maximum Offering exclusive of the Agent’s commission. See “Use of Proceeds”.

(3) In addition to the qualification of up to 40,000,000 Common Shares pursuant to the Offering, this Prospectus also qualifies for distribution: (i) the Agent’s Option; and (ii) the Share Options to be granted to officers and directors of the Corporation at the closing of the Offering, which shall entitle the grantees to purchase a number of Common Shares, at a price of \$0.10 per Common Share, equal to 10% of the difference between the Common Shares sold under the Offering and the Common Shares sold assuming the Minimum Offering. See “Options to Purchase Securities”.

Market for Securities

There is no market through which the Common Shares offered by this Prospectus may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. See “Risk Factors”.

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

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

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent’s Option and the grant of the Share 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 this Prospectus is issued by the securities regulatory authorities and the time the Common Shares are listed for trading 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.

Risk Factors

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

Upon completion of the 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 \$0.02000 or 20.00%, assuming completion of the Minimum Offering and \$0.01667 or 16.67%, assuming completion of the Maximum Offering. Furthermore, where the Qualifying Transaction is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment.

There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.

The Corporation has not commenced commercial operations and has no assets other than cash. 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. Until the 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.

The Corporation has only limited funds with which to identify and evaluate a potential 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; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Corporation and this may result in further dilution to investors.

The Corporation has commenced the process of identifying potential acquisitions, but to date, the Corporation has not identified any potential acquisitions. The Corporation 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.

A 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 persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

In the event that the management of the Corporation resides out of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

The Corporation will be in competition with other entities, some of which may have greater resources than the Corporation.

Neither the Exchange, nor any securities regulatory authority, passes upon the merits of any proposed Qualifying Transaction.

The Corporation's directors, officers and Control Persons (as hereinafter defined), and their Associates (as hereinafter defined), and Affiliates (as hereinafter defined), as a group, beneficially own, control or have direction over, directly or indirectly, 6,000,000 Common Shares, which represents 30.00% of the issued and outstanding Common Shares before giving effect to the Offering and 12.00% of the issued and outstanding Common Shares after giving effect to the Offering, assuming completion of the Minimum Offering and 10.00% of the issued and outstanding Common Shares after giving effect to the Offering, assuming completion of the Maximum Offering.

The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and they are and will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

As a result of these factors, the Offering is suitable only to investors who are willing to rely solely on the management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares. See "Dilution", "Business of the Corporation", "Directors and Officers", "Use of Proceeds", and "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, 75% of the total number of Common Shares offered under this Prospectus (being 22,500,000 Common Shares in the case of the Minimum Offering and 30,000,000 Common Shares in the case of the Maximum Offering) are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% of the total number of Common Shares offered under this Prospectus, being 600,000 Common Shares in the case of the Minimum Offering and 800,000 Common Shares in the case of the Maximum Offering; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% of the total number of Common Shares offered under this Prospectus, being 1,200,000 Common Shares in the case of the Minimum Offering and 1,600,000 Common Shares in the case of the Maximum Offering.

Receipt of Subscriptions

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

Canaccord Genuity Corp., as Agent, conditionally offers these Common Shares, on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Dentons Canada LLP, on behalf of the Corporation and by Garfinkle Biderman LLP on behalf of the Agent.

Canaccord Genuity Corp.
609 Granville Street, Suite 2200,
Vancouver, British Columbia, V7Y 1H2,
ecm@canaccordgenuity.com.
Tel: (604) 643-7353

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GLOSSARY

As used in this Prospectus, the following capitalized terms have the meanings set forth below.

“\$” means the lawful currency of Canada.

“**Affiliate**” means a company that is affiliated with another company as described below:

A company is an “Affiliate” of another company if:

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

A company is “controlled” by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

“**Agency Agreement**” means the agency agreement dated [●] between the Corporation and the Agent.

“**Agent**” means Canaccord Genuity Corp. at its office in the City of Toronto, in the Province of Ontario.

“**Agent’s Option**” means the non-transferable option to be granted by the Corporation to the Agent entitling the Agent to purchase Agent’s Shares in an amount equal to 8% of the number of Common Shares sold pursuant to the Offering at an exercise price of \$0.10 per Agent’s Share, expiring on the date that is five years from the date of listing of the Common Shares on the Exchange.

“**Agent’s Share**” means Common Shares acquired upon exercise of the Agent’s Option.

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

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

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

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

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

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of 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 Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

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

"Commissions" means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

"Common Shares" means the common shares in the share capital of the Corporation.

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

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

"Conditional Acceptance Documents" has the meaning ascribed thereto in the CPC Policy.

"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 Magen Ventures I Inc., a corporation incorporated under the *Business Corporations Act* (Ontario) having its registered office in the City of Toronto, in the Province of Ontario.

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

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

“**CPC Filing Statement**” has the meaning ascribed thereto in the CPC Policy.

“**CPC Information Circular**” has the meaning ascribed thereto in the CPC Policy.

“**CPC Policy**” means Policy 2.4 of the Exchange’s *Corporate Finance Manual*.

“**Concurrent Financing**” has the meaning ascribed thereto in the CPC Policy.

“**Disclosure Document**” has the meaning ascribed thereto in the CPC Policy.

“**Eligible Charitable Organizations**” has the meaning ascribed thereto in Exchange Policy 4.7 – *Charitable Options in Connection with an IPO*.

“**Escrow Agreement**” means the escrow agreement dated [●] among the Corporation, TSX Trust Company and certain shareholders of the Corporation.

“**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 and that evidences the final Exchange acceptance of the Qualifying Transaction.

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

“**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:

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

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

“**Majority of the Minority Approval**” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast at a meeting of shareholders of the Corporation, or by the written consent of shareholders holding more than 50% of the Common Shares, other than the Common Shares held by the following Persons and their Associates and Affiliates which are excluded from the calculation of any such approval or written consent:

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

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

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

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

"Non Arm's Length Party" means:

- (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 of the Corporation; and
- (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

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

"Offering" means the offering of a minimum of 30,000,000 and a maximum of 40,000,000 Common Shares in accordance with the terms of this Prospectus.

"Offering Price" has the meaning ascribed thereto on the face page of this Prospectus.

"Option Plan" has the meaning ascribed thereto under the heading "Options to Purchase Securities".

"Participating Organization" has the meaning ascribed thereto in Exchange Policy 1.1 – *Interpretation*.

"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 the date of the Final Exchange Bulletin;

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

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

A company, more than 50% held by one or more Principals will be treated as a Principal and in calculating this percentage, securities of the entity that may be issued to the Principals under outstanding convertible securities are to be included in both the Principals' securities of the entity and the total securities of the entity outstanding.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals.

"Pro Group" means:

- (a) Subject to subparagraphs (b), (c) and (d), "Pro Group" shall include, either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) The Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an affiliate or associate of the Member is acting at arm's length of the Member;

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

“Prospectus” means this disclosure document of the Corporation required to be prepared in connection with a public offering of Common Shares, which document complies with the form and content requirements of a prospectus as promulgated under applicable securities laws.

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

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

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

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

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

“SEDAR” means System for Electronic Document Analysis and Retrieval.

“Seed Shares” means securities issued before an Issuer’s IPO.

“Share Options” means incentive options granted, in accordance with the CPC Policy, to directors and officers of the Corporation which options entitle the holders to purchase a number of Common Shares equal to (following completion of the Offering) 10% of issued and outstanding Common Shares at the time of grant.

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

“Sponsor” means a Member that meets the criteria specified in the Exchange Policy 2.2 which has an agreement with an Issuer to undertake the functions of sponsorship as required by that policy and various other Exchange policies.

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

“Vendor” or **“Vendors”** means one or all of the beneficial owners of the Significant Assets and/or 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. See "Business of the Corporation".		
Offering:	<p>A minimum of 30,000,000 Common Shares of the Corporation and a maximum of 40,000,000 Common Shares are being offered under this Prospectus at \$0.10 per Common Share in British Columbia, Alberta and Ontario.</p> <p>In addition, this Prospectus will qualify the distribution to the Agent of the Agent's Option (being an option to acquire 8% of the number of Common Shares sold under the Offering, or 2,400,000 Common Shares if the Minimum Offering is subscribed for and 3,200,000 Common Shares if the Maximum Offering is subscribed for) at a price of \$0.10 per Common Share exercisable for a period expiring on the date that is five years from the date of listing of the Common Shares on the Exchange.</p> <p>This Prospectus will also qualify options to purchase a number of Common Shares equal to 10% of the number of Common Shares sold under the Offering that are in excess of the Minimum Offering. Such options will be granted to the officers and directors of the Corporation and have an exercise price of \$0.10 per Common Share. Such options are expected to be granted on the Closing Date and will be exercisable for five years from the Closing Date. See "Options to Purchase Securities" and "Plan of Distribution".</p>		
Use of Proceeds:	<p>The net proceeds of the Offering and prior sales by the Corporation of Common Shares will be a minimum of \$3,644,000 and a maximum of \$4,554,000 after deduction of the costs of prior sales of \$9,000, the Agent's commission of \$240,000 (Minimum Offering) and \$320,000 (Maximum Offering), and the Offering costs and prior expenses estimated at \$107,000 (Minimum offering) and \$117,000 (Maximum Offering) exclusive of the Agent's commission.</p> <p>The net proceeds of the Offering plus the proceeds from prior sales will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of a Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of \$3,000 per month may be used for general and administrative expenses of the Corporation. See "Use of Proceeds" and "Business of the Corporation" for details of the restrictions and prohibitions on the Corporation's use of proceeds.</p>		
Management and Directors:	Jesse Kaplan	-	CEO, CFO, Corporate Secretary and Director

	Aaron Unger	-	Director
	Yisroel Weinreb	-	Director
	Alan Friedman	-	Director
Escrowed Securities:	All of the Corporation's 20,000,000 issued and outstanding Common Shares and 5,000,000 Share Options (in addition to all Share Options issued on the Closing Date) will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to 18 months after the date of the Final Exchange Bulletin. See "Escrowed Securities".		
Risk Factors:	<p>Investment in the Common Shares offered by this Prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. The Offering is suitable only to those 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.</p> <p>Upon completion of the 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 \$0.02000 or 20.00%, assuming completion of the Minimum Offering and \$0.01667 or 16.67%, assuming completion of the Maximum Offering. Furthermore, where the Qualifying Transaction is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment.</p> <p>There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.</p> <p>The Corporation has not commenced commercial operations and has no assets other than cash. 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. Until the 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.</p> <p>The Corporation has only limited funds with which to identify and evaluate a potential 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; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Corporation and this may result in further dilution to investors.</p>		

The Corporation has commenced the process of identifying potential acquisitions, but to date, the Corporation has not identified any potential acquisitions. The Corporation 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.

A 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 persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

In the event that the management of the Corporation resides out of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

The Corporation will be in competition with other entities with greater resources.

Neither the Exchange, nor any securities regulatory authority, passes upon the merits of any proposed Qualifying Transaction.

If the Corporation does not list the Common Shares on the Exchange prior to the time of closing, adverse tax consequences will arise with respect to any Common Shares held in a Deferred Plan (as defined under the heading "Eligibility for Investment").

The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and they are and will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

See "Corporate Structure", "Dilution", "Business of the Corporation", "Use of Proceeds", and "Risk Factors".

THE CORPORATION

Magen Ventures I Inc. was incorporated on February 9, 2021 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name “Magen Ventures I Inc.”.

The head office and registered office of the Corporation are located at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at the date hereof, the Corporation has incurred or accrued preliminary expenses with respect to the incorporation and organization of the Corporation, corporate finance, legal and auditing fees and expenses, and the retainer for fees of legal counsel to the Agent in the aggregate amount of approximately \$35,000 plus HST and disbursements.

A portion of the proceeds of the Offering will be used to satisfy the obligations of the Corporation related to the Offering, including the expenses of its legal counsel and auditor. See “Use of Proceeds”.

Proposed Operations until Completion of the Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations. The Corporation currently intends to pursue a Qualifying Transaction with a high growth momentum company but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following the Completion of a Qualifying Transaction. See “Use of Proceeds”.

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under “Use of Proceeds”, the funds raised pursuant to the 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

All potential Qualifying Transactions will initially be screened by management of the Corporation so as to evaluate the business plan of each corporation or business, which evaluation will include an analysis of the assets, the line of services or products offered, the extent of the competition in the marketplace, the market potential of the product lines or services, the market plan, existing and remaining management, production

plans, financial plans and cashflow projections and capital requirements. Similar criteria will be employed in the evaluation of other assets.

Upon the favourable completion of management's analysis, management will proceed to negotiate appropriate acquisition terms with those prospective corporations, businesses or the owners of other assets and thereafter will present the proposal to the board of directors for its consideration and approval.

The board of directors of the Corporation, in considering whether to approve the terms of the proposed acquisition, will be guided by the following criteria:

- (a) the projected rate of return on the proposed investment having regard to the risk of loss;
- (b) the prospects for growth, having regard to existing or potential market share;
- (c) the skill of the management team, either as it exists or as it may be modified as a consequence of the acquisition; and
- (d) basic financial considerations such as the ratio of debt to equity of the target business, the overall cost of the acquisition, and the prospects of obtaining the debt or equity financing necessary to effect the acquisition.

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

REGULATORY AND SHAREHOLDER APPROVAL

Filings and Shareholder Approval of a Qualifying Transaction

Upon the Corporation entering into a Qualifying Transaction Agreement, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange the Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Corporation, assuming Completion of a Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Corporation must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange will not require the Corporation to obtain shareholder approval of the Qualifying Transaction provided that it files the CPC Filing Statement or a prospectus.

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

- (a) where shareholder approval of the Qualifying Transaction is not required, the Corporation must file the final CPC Filing Statement or prospectus on SEDAR at least seven business days prior to:
 - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Corporation are halted from trading; or

- (ii) the Completion of the Qualifying Transaction, if the securities of the Corporation are not halted from trading;
- (b) where shareholder approval is required and is to be obtained at a meeting of shareholders, the Corporation will file on SEDAR and mail to its shareholders the notice of meeting, the CPC Information Circular and form of proxy, together with any other required documents; and
- (c) where shareholder approval is required and is to be obtained by written consent, the Corporation will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Corporation will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the policies of the Exchange. The Corporation will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (a) confirmation of shareholder approval of the Qualifying Transaction, if required;
- (b) confirmation of closing of the Qualifying Transaction; and
- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

Initial Listing Requirements

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

Trading Halts, Suspensions and Delisting

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

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

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

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of

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

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

Refusal of Qualifying Transaction

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

The aggregate gross proceeds received by the Corporation from the sale of Common Shares prior to the Offering were \$1,000,000. The expenses and costs of the prior sales of Common Shares are \$9,000. The aggregate gross proceeds expected to be received by the Corporation from the sale of Common Shares offered by this Prospectus assuming the Minimum Offering is subscribed for will be \$3,000,000 and assuming the Maximum Offering is subscribed for will be \$4,000,000, less costs of this issue. The costs of this issue are estimated at \$347,000 assuming the Minimum Offering is subscribed for, and \$437,000 assuming the Maximum Offering is subscribed for, inclusive of the Agent's commission, administration fees and legal fees. Accordingly, the estimated funds to be available to the Corporation will be \$3,644,000 assuming the Minimum Offering is subscribed for and \$4,554,000 assuming the Maximum Offering is subscribed for.

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

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
(a) Gross cash proceeds received by the Corporation from the sale of Common Shares prior to the Offering prior to the Offering ⁽¹⁾	\$1,000,000	\$1,000,000
(b) Less: Expenses and costs relating to raising the cash proceeds referred to in (a) above	(\$9,000)	(\$9,000)
(c) Plus: Gross cash proceeds to be raised by the Corporation from the sale of the Common Shares distributed pursuant to the Offering	\$3,000,000	\$4,000,000
	<hr/> \$3,991,000	<hr/> \$4,991,000

(d) Less: Expenses and costs associated with the Offering referred to in (c) above, incurred to date and expected to be incurred ⁽²⁾	(\$347,000)	(\$437,000)
(e) Estimated funds to be available to the Corporation (on completion of the Offering)	\$3,644,000	\$4,554,000
Funds available for identifying and evaluating assets or business prospects ⁽³⁾⁽⁴⁾	\$3,644,000	\$4,554,000
Estimated general and administrative expenses and valuation/approval/business plan and feasibility and technical assessment expenses until Completion of the Qualifying Transaction	(\$90,000)	(\$90,000)
Total Net Proceeds	\$3,554,000	\$4,464,000

Notes:

(1) See "Prior Sales".

(2) Includes Agent's commissions, fees and expenses, legal fees, audit fees and listing fees.

(3) In the event the Agent exercises the Agent's Options and the directors or officers exercise their Share Options, there will be available to the Corporation an additional \$490,000 in the case of the Minimum Offering or \$670,000 in the case of the Maximum Offering which will be added to the working capital of the Corporation. There is no assurance that any of these Agent's Options or Share Options will be exercised.

(4) In the event that the Corporation enters into a Qualifying Transaction Agreement prior to spending all of its funds identifying and evaluating assets or businesses, the remaining funds may be used to finance or partly finance the acquisition of, or participation in, the Significant Assets or for working capital after Completion of a Qualifying Transaction.

The net proceeds of the Offering together with the proceeds from prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets 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. The CPC Policy provides that until Completion of a Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of \$3,000 per month may be used for general and administrative expenses of the CPC.

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

The proceeds from the Offering and any prior sale of Common Shares, after deducting the expenses associated with the Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit. See "Business of the Corporation", "Method of Financing Acquisition or Participation Opportunities" and "Risk Factors".

Permitted Use of Funds

Until the Completion of a Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Private Placements for Cash", "Prohibited Payments to Non Arm's Length Parties" and "Finder's Fees", the gross proceeds realized from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

- (a) reasonable expenses relating to the Offering, including:
 - (i) fees for legal services and audit services relating to the preparation and filing of this Prospectus;
 - (ii) the Agent's fees, costs and commissions; and
 - (iii) printing costs, including printing of this Prospectus and share certificates;
- (b) reasonable general and administrative expenses of the Corporation (not exceeding an aggregate of \$3,000 per month), including:
 - (i) office supplies, office rent and related utilities;
 - (ii) equipment leases; and
 - (iii) fees for legal, accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
 - (i) valuations or appraisals,
 - (ii) feasibility studies and technical assessments;
 - (iii) business plans;
 - (iv) sponsorship reports;
 - (v) geological reports;
 - (vi) financial statements; and
 - (vii) fees for legal, accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
- (e) assurance and audit fees of the Corporation;
- (f) escrow agent and transfer agent fees of the Corporation; and
- (g) regulatory filing fees of the Corporation.

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

- (a) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (b) the Qualifying Transaction has been announced in a comprehensive news release;
- (c) due diligence with respect to the Qualifying Transaction is well underway;

- (d) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (e) the loan has been announced in a news release at least 15 days prior to the date of any such loan; and
- (f) the total amount of all deposits, advances and loans from the Corporation does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Corporation to the Target Company or Vendor(s) does not represent more than 20% of the working capital of the Corporation.

Prohibited Payments to Non Arm's Length Parties

Except as described under "Options to Purchase Securities", "Permitted Use of Funds" and "Finder's Fees", the Corporation has not made, and until the Completion of a Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or to a Non Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, promotional or market-making services in respect of the Corporation or the securities of the Corporation or any Resulting Issuer, by any means, including:

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

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

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

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

Private Placements for Cash

After the closing of the Offering and until the Completion of a 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 \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and agent's options. 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.

Finders Fees

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

- (a) to a Person that is not a Non Arm's Length Party to the Corporation; and
- (b) to a Non Arm's Length Party to the Corporation, provided that:
 - (i) the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction;
 - (ii) the Qualifying Transaction is not a transaction between the Corporation and an existing public company;
 - (iii) the finder's fee is payable in the form of cash, Common Shares and/or warrants only;
 - (iv) the amount of any Concurrent Financing is not included in the value of the measureable benefit used to calculate the finder's fee; and
 - (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of shareholders of the Corporation or by the written consent of the shareholders of the Corporation holding more than 50% of the issued Common Shares, provided that the votes attached to the Common Shares held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement dated as of [●], 2021 between the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public between 30,000,000 to 40,000,000 of Common Shares as provided in this Prospectus, at a price of \$0.10 per Common Share, for gross proceeds of between \$3,000,000 and \$4,000,000, subject to the terms and conditions contained in the Agency Agreement. The Agent will receive a commission of 8% of the aggregate gross proceeds of the Offering. In addition, the Corporation will pay to the Agent an corporate finance fee equal to 1% of the gross proceeds of the Offering and will reimburse the Agent for its reasonable legal fees, disbursements, expenses and taxes payable thereon.

The Corporation has also agreed to grant the Agent's Options to the Agent which constitute non-transferable options to purchase the equivalent of 8% of the aggregate number of Common Shares sold pursuant to the Offering, being 2,400,000 Common Shares in the case of the Minimum Offering and 3,200,000 Common Shares in the case of the Maximum Offering, at a price of \$0.10 per Common Share which Agent's Options may be exercised for a period expiring on the date that is five years from the date of listing of the Common Shares on the Exchange.

The Agent's Options are qualified for distribution under this Prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of a Qualifying Transaction. The remaining 50% may be sold after the Completion of a Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial

markets and may also be terminated on the occurrence of certain events as provided in the Agency Agreement.

Commercially Reasonable Efforts Offering

The total Offering consists of between 30,000,000 to 40,000,000 Common Shares for total gross proceeds of between \$3,000,000 to \$4,000,000. Under the CPC Policy, 75% of the total number of Common Shares offered under this Prospectus (being 22,500,000 Common Shares in the case of the Minimum Offering and 30,000,000 Common Shares in the case of the Maximum Offering) are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% of the number of Common Shares offered under this Prospectus (being 600,000 Common Shares in the case of the Minimum Offering and 800,000 Common Shares in the case of the Maximum Offering); and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% of the total number of Common Shares offered under this Prospectus (being 1,200,000 Common Shares in the case of the Minimum Offering and 1,600,000 Common Shares in the case of the Maximum Offering).

The funds received from the Offering will be held by the Agent and will not be released until \$3,000,000 has been received by the Agent. Subscriptions of 30,000,000 Common Shares for \$3,000,000 must be raised within 90 days from the date of the receipt for the final prospectus, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

This Prospectus will also qualify Share Options to purchase a number of Common Shares equal to 10% of the number of the Common Shares sold under the Offering that are in excess of the Minimum Offering. Such options will be granted to the officers and directors or the Corporation and have an exercise price of \$0.10 per Common Share. Such options are expected to be granted on the Closing Date and will be exercisable for five years from the Closing Date. See "Options to Purchase Securities" and "Plan of Distribution".

Determination of Price

The Offering Price was determined by negotiation between the Corporation and the Agent.

Listing Application

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

Venture Issuers

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

Restrictions on Trading

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

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 20,000,000 Common Shares are issued and outstanding as fully paid and non-assessable. There are no other shares of any class issued and outstanding. A minimum of 30,000,000 Common Shares and a maximum of 40,000,000 Common Shares are reserved for issuance under this Prospectus. In addition, 2,400,000 Common Shares in the event the Minimum Offering is subscribed, or 3,200,000 Common Shares in the event the Maximum Offering is subscribed, as the case may be, are reserved for issuance upon the exercise of the Agent's Options.

Subject to regulatory approval, a number of Common Shares equal to 10% of issued and outstanding Common Shares at the time of grant (being 5,000,000 Common Shares issued and outstanding assuming the Minimum Offering is subscribed for and 6,000,000 Common Shares issued and outstanding assuming the Maximum Offering is subscribed for) are reserved for issuance upon the exercise of the Share Options.

All of the Common Shares to be outstanding on completion of the Offering will be fully paid and non-assessable. See "Prior Sales", "Plan of Distribution" and "Options to Purchase Securities".

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to notice of, attend and one vote per share at, meetings of the shareholders of the Corporation and, upon liquidation, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to share on a pro-rata basis according to the number of Common Shares held, in the remaining property of the Corporation.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at the date of the balance sheet contained in this Prospectus and the date hereof before and after giving effect to this Offering:

Capital	Amount Authorized	Outstanding as of the date of the most recent statement of financial position contained in this Prospectus ⁽¹⁾	Outstanding as at the date of this Prospectus	Amount to be Outstanding upon completion of the Minimum Offering ⁽²⁾⁽³⁾⁽⁴⁾	Amount to be outstanding upon completion of the Maximum Offering ⁽⁵⁾⁽⁶⁾⁽⁷⁾
Common Shares	Unlimited	\$490,000 9,800,000 (Common Shares)	\$1,000,000 20,000,000 (Common Shares)	\$4,000,000 50,000,000 (Common Shares)	\$5,000,000 60,000,000 (Common Shares)

Notes:

(1) At this date, the Corporation had not commenced commercial operations.

- (2) Excluding the 5,000,000 Common Shares issuable pursuant to Share Options to be granted to directors and officers of the Corporation.
- (3) Excluding 2,400,000 Common Shares issuable at \$0.10 per share, expiring five years from the date of listing of the Common Shares on the Exchange, pursuant to the Agent's Option. See "Plan of Distribution".
- (4) Funds estimated to be available on completion of the Offering amount to \$3,644,000 after giving effect to the Minimum Offering and deducting the selling commissions and related expenses incurred by the Corporation. See "Use of Proceeds – Proceeds and Principal Purposes".
- (5) Excluding up to 6,000,000 Common Shares pursuant to Share Options granted or to be granted to directors and officers of the Corporation.
- (6) Excluding 3,200,000 Common Shares issuable at \$0.10 per share, expiring five years from the date of listing of the Common Shares on the Exchange, pursuant to the Agent's Option. See "Plan of Distribution".
- (7) Funds estimated to be available on completion of the Offering amount to \$4,554,000 after giving effect to the Maximum Offering and deducting the selling commissions and related expenses incurred by the Corporation. See "Use of Proceeds – Proceeds and Principal Purposes".

OPTIONS TO PURCHASE SECURITIES

The Share Options to purchase up to 1,000,000 Common Shares to be granted in the event the Maximum Offering is subscribed for, are to be granted after closing of the Offering to directors and officers pursuant to the Corporation's employee stock option plan (the "**Option Plan**") and are qualified for distribution pursuant to this Prospectus. An aggregate of 5,000,000 Share Options were previously granted to officers and directors of the Corporation on February 22, 2021, with an exercise price of \$0.05 per Common Share, and exercisable until February 22, 2026.

Pursuant to the Option Plan, immediately after closing the Offering, the board of directors of the Corporation will have granted the following Share Options:

<u>Optionee</u>	<u>Number of Common Shares Under Option if Minimum Offering Subscribed</u>	<u>Number of Common Shares Under Option if Maximum Offering Subscribed</u>	<u>Exercise Price Per Common Share</u>	<u>Expiry Date from Grant</u>
Aaron Unger	1,250,000	1,250,000	\$0.05	February 22, 2026
Aaron Unger	0	250,000	\$0.10	five years from date of grant
Alan Friedman	1,250,000	1,250,000	\$0.05	February 22, 2026
Alan Friedman	0	250,000	\$0.10	five years from date of grant
Jesse Kaplan	1,250,000	1,250,000	\$0.05	February 22, 2026
Jesse Kaplan	0	250,000	\$0.10	five years from date of grant
Yisroel Weinreb	1,250,000	1,250,000	\$0.05	February 22, 2026
Yisroel Weinreb	0	250,000	\$0.10	five years from date of grant
Total	5,000,000	6,000,000		

Pursuant to the terms of the Agency Agreement, upon closing the Offering, the board of directors of the Corporation intends to grant the Agent's Option to the Agent.

<u>Optionee</u>	<u>Number of Common Shares Under Option if Minimum Offering Subscribed</u>	<u>Number of Common Shares Under Option if Maximum Offering Subscribed</u>	<u>Exercise Price Per Common Share</u>	<u>Expiry Date from Listing Date</u>
Canaccord Genuity Corp.	2,400,000	3,200,000	\$0.10	five years

The Agent's Options to be granted immediately after closing the Offering and the Agent's Option (subject to regulatory approval) are qualified for distribution pursuant to this Prospectus.

Upon the closing of the Offering, the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation and Eligible Charitable Organizations, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as at the date of grant of any such option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares of the Corporation as at the date of grant of such option. The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed 2% of the issued and outstanding Common Shares of the Corporation as at the date of grant of such option.

The number of Common Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares of the Corporation as at the date of grant of such option.

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

All options and Common Shares issued prior to the date of the Final Exchange Bulletin pursuant to the exercise of such options are subject to escrow under the Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final Exchange Bulletin pursuant to the exercise of an option granted prior to the Offering with an exercise price that is less than the issue price of the Offering are also subject to escrow under the Escrow Agreement. For further details of the escrow requirements and release provisions, see "Escrowed Securities".

PRIOR SALES

Since the date of incorporation of the Corporation, 20,000,000 Common Shares have been issued and are currently outstanding as follows.

Date	Number of Common Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
February 22, 2021	9,800,000 ⁽¹⁾	\$0.05	\$490,000	cash
April 9, 2021	10,200,000 ⁽¹⁾	\$0.05	\$510,000	cash

Notes:

(1) These Common Shares are being held in escrow. See "Escrowed Securities".

ESCROWED SECURITIES

All of the Common Shares issued prior to the Offering at a price below \$0.10 per Common Share, and all of the Common Shares that may be acquired from treasury by Non Arm's Length Parties of the Corporation

either under the Offering or otherwise prior to the date of the Final Exchange Bulletin will be deposited with TSX Trust Company pursuant to the Escrow Agreement.

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

The following table sets out, as at the date hereof, the number of Common Shares of the Corporation and Share Options, which will be held in escrow.

Shareholder	Common Shares	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 Minimum Offering⁽¹⁾	Percentage of Common Shares of the Corporation After Giving Effect to the Maximum Offering⁽¹⁾	Number of Share Options held in escrow⁽²⁾
Jesse Kaplan Toronto, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	1,500,000
Alan Friedman Toronto, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	1,500,000
Aaron Unger Toronto, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	1,500,000
Yisroel Weinreb Toronto, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	1,500,000
Aiden Holdings Ltd. ⁽³⁾ Etobicoke, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	0
John Wilson Toronto, Ontario	1,500,000	1,500,000	7.50%	3.00%	2.50%	0
2803311 Ontario Inc. ⁽⁴⁾ Toronto, Ontario	800,000	800,000	4.00%	1.60%	1.33%	0
Phillip Samuel Montreal, Ontario	400,000	400,000	2.00%	0.80%	0.67%	0
2578218 Ontario Ltd. ⁽⁵⁾ Toronto, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Simon Akit Toronto, Ontario	300,000	300,000	1.50%	0.60%	0.50%	0
Ethan Spence Toronto, Ontario	100,000	100,000	0.50%	0.20%	0.17%	0
Stephen Delaney Toronto, Ontario	300,000	300,000	1.50%	0.60%	0.50%	0
2601326 Ontario Inc. ⁽⁶⁾	300,000	300,000	1.50%	0.60%	0.50%	0

Thornhill, Ontario						
Karl Vandermeer Scarborough, Ontario	300,000	300,000	1.50%	0.60%	0.50%	0
Benjamin Iscoe Toronto, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Tower Capital Corp. ⁽⁷⁾ Thornhill, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Emmcap Corp. ⁽⁸⁾ Toronto, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Tulameen Investments Ltd. ⁽⁹⁾ Delta, British Columbia	500,000	500,000	2.50%	1.00%	0.83%	0
Karen Austin Delta, British Columbia	500,000	500,000	2.50%	1.00%	0.83%	0
Plazacorp Investments Ltd. ⁽¹⁰⁾ Toronto, Ontario	500,000	500,000	2.50%	1.00%	0.83%	0
Towncorp Asset Management Inc. ⁽¹¹⁾ Toronto, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Bryan Paul Oakville, Ontario	500,000	500,000	2.50%	1.00%	0.83%	0
Brooke Cumming Vancouver, British Columbia	500,000	500,000	2.50%	1.00%	0.83%	0
Vikram Kapoor 2018 Family Trust ⁽¹²⁾ Mississauga, Ontario	500,000	500,000	2.50%	1.00%	0.83%	0
Michael Sardo ⁽¹³⁾ Mississauga, Ontario	250,000	250,000	1.25%	0.50%	0.42%	0
Peter O'Connell East York, Ontario	250,000	250,000	1.25%	0.50%	0.42%	0
C Sinclair Investments Ltd. ⁽¹⁴⁾ Etobicoke, Ontario	300,000	300,000	1.50%	0.60%	0.50%	0
Jeff Fox Etobicoke, Ontario	300,000	300,000	1.50%	0.60%	0.50%	0
Harold Frederick Jones Oro-Medonte, Ontario	600,000	600,000	3.00%	1.20%	1.00%	0

2655137 Ontario Inc. ⁽¹⁵⁾ Hamilton, Ontario	500,000	500,000	2.50%	1.00%	0.83%	0
Giuseppe Mattina Burlington, Ontario	1,000,000	1,000,000	5.00%	2.00%	1.67%	0
Jodi Lubinsky North York, Ontario	500,000	500,000	2.50%	1.00%	0.83%	0
2796168 Ontario Inc. ⁽¹⁶⁾ Toronto, Ontario	200,000	200,000	1.00%	0.40%	0.33%	0
Aleksander Krstajic North York, Ontario	600,000	600,000	3.00%	1.20%	1.00%	0
Total	20,000,000	20,000,000	100.00%	40.00%	33.30%	

Notes:

- (1) Assuming no Common Shares are purchased by these persons under the Offering.
- (2) Assuming completion of the Maximum Offering.
- (3) Aiden Holdings Ltd. is a private company controlled by James Fox.
- (4) 2803311 Ontario Inc. is a private company controlled by Joseph Posen.
- (5) 2578218 Ontario Inc. is a private company controlled by Zachary Goldenberg.
- (6) 2601326 Ontario Inc. is a private company controlled by Nawel Seth.
- (7) Tower Capital Corp. is a private company controlled by Joshua Frankel.
- (8) Emmcap Corp. is a private company controlled by Yaron Conforti.
- (9) Tulameen Investments Ltd. is a private company controlled by Harley Mayers.
- (10) Plazacorp Investments Ltd. is a private company controlled by Anthony Heller.
- (11) Towncorp Asset Management Inc. is a private company controlled by Robert Jacobs.
- (12) Vikram Kapoor 2018 Family Trust is a trust for which Vikramaditya Kapoor is trustee.
- (13) Michael Sardo is Director of Corporate Services of the Agent.
- (14) C Sinclair Investments Ltd. is a private company controlled by Craig Sinclair.
- (15) 2655137 Ontario Inc. is a private company controlled by Domenic Matina.
- (16) 2796168 Ontario Inc. is a private company controlled by Wayne Pommen.

Where the Common Shares required to be held in escrow are held by a non-individual (a “**holding company**”), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement:

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

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

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

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

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

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

PRINCIPAL SHAREHOLDERS

As of the date hereof, no person owns of record, or who are known to the Corporation, owns beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares of the Corporation.

OFFICERS AND DIRECTORS

Name, Residence, Occupation, Security Holding and Involvement with Other Reporting Issuers

The following is a list of the current directors and officers of the Corporation, their province or state and country of residence, their current positions with the Corporation, their respective principal occupations during the five preceding years, and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name, (Age), Province or State and Country of Residence	Positions and Offices Held	Common Shares Held	Percentage of Shares Owned Before Offering	Percentage of Shares Owned After Offering (assuming Minimum Offering) ⁽¹⁾	Percentage of Shares Owned After Offering (assuming Maximum Offering) ⁽¹⁾	Principal Occupation
Jesse Kaplan (38) Ontario, Canada ⁽²⁾	CEO, CFO, Corporate Secretary and Director	1,500,000	7.50%	3.00%	2.50%	Partner with Plaza Capital & Investment Banker at First Republic Capital Managing Director of Seek Capital
Aaron Unger (50) Ontario, Canada ⁽²⁾⁽³⁾	Director	1,500,000	7.50%	3.00%	2.50%	Managing Partner at Bayline Capital Partners
Yisroel Weinreb (41) Ontario, Canada ⁽²⁾⁽³⁾	Director	1,500,000	7.50%	3.00%	2.50%	President, Plaza Capital Limited CEO of Lake Central Air Services CEO of Findev Inc.
Alan Friedman (49) ⁽²⁾⁽³⁾ Ontario, Canada	Director	1,500,000	7.50%	3.00%	2.50%	Managing Partner at Bayline Capital Partners

Notes:

(1) Before the exercise of Share Options by the directors and officers, the exercise of the Agent's Option and assuming no Common Shares are purchased by these shareholders under the Offering. See "Plan of Distribution". All of the listed individuals hold in the aggregate 5,000,000 Share Options, additionally the listed individuals will be granted (in the aggregate) such number of Share Options as is equal to 10% of the number of Common Shares sold under the Offering in excess of the Minimum Offering. See "Options to Purchase Securities".

(2) The current term of the Director began on their date of appointment (either February 9, 2021 or February 22, 2021) and will continue until the next annual and general meeting of the shareholders of the Corporation.

(3) Member of the Audit Committee.

The directors and officers, together with the Associates and Affiliates of the directors and officers, as a group, beneficially own and control or have direction over 6,000,000 Common Shares which represents 30.00% of the issued Common Shares of the Corporation before giving effect to the Offering and which will represent 12.00% of the issued Common Shares of the Corporation upon completion of the Minimum Offering and 10.00% of the issued Common Shares of the Corporation upon completion of the Maximum 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 Significant Assets. Each of the officers and directors are independent contractors and will devote the time considered necessary to perform the work required in connection with the management and direction of the Corporation and Completion of a Qualifying Transaction. None of the officer or directors have entered into any non-competition or non-solicitation agreement with the Corporation.

Jesse Kaplan, CEO, CFO, Corporate Secretary and Director

Jesse Kaplan, age 38, is a founder and managing partner at Plaza Capital, a boutique investment & advisory firm focused on early-stage growth companies. He is also an investment banker at Toronto based First Republic Capital. In addition, he is the Managing Director of Seek Capital Management, a family office that invests in a wide range of sectors. His career has focused on advising and investing in early-stage growth companies. This has included extensive work helping companies through the process of going public in both Canada and the United States. Jesse was previously a senior analyst at Harborview Advisors

LLC, a New York based investment firm and Palladium Capital Advisors, LLC, a NASD member investment bank. He is currently a co-founder and director at Novamind (CSE:NM), a psychedelic mental health company and previously sat on the board of IM Cannabis (IMCC:CSE) and Abacus Health Products (ABCS:CSE) before its sale to Charlotte's Web (CWEB:CSE). He is also an investor and board member in a number of private companies including Shipfashion and AMNotify. Jesse holds a Bachelor of Commerce degree from the University of Toronto and holds the CFA designation. Jesse Kaplan will devote 10% of his time to the Corporation.

Aaron Unger, Director

Aaron Unger, age 50, is a principal of Bayline Capital Partners, a financial advisory firm that is engaged in providing clients with advisory services relating to fund raising, corporate strategic alternatives and go-public transactions. Mr. Unger is a seasoned corporate finance professional with extensive experience in structuring and executing financings (equity and debt) and mergers and acquisitions. Between June 2006 and October 2015, Aaron served on the Executive Management team and was the Head of Equity Capital Markets at Dundee Capital Markets. Prior to that, Aaron served in the Equity Capital Markets group and Investment Banking group at TD Securities. His career began in the corporate finance group of KPMG, where Aaron specialized in mid-market M&A. Aaron has an LL.B. from Osgoode Hall Law School in Toronto and an MBA from The European University in Montreux, Switzerland. He is a member of the Law Society of Upper Canada. Aaron Unger will devote 10% of his time to the Corporation.

Yisroel Weinreb, Director

Yisroel Weinreb, age 41, is a founder and managing partner at Plaza Capital, a boutique investment & advisory firm focused on early-stage growth companies. Sruli has co-founded, advised, financed, and continues to serve at many innovative companies across a spectrum of industries. He is currently a co-founder and Director at Novamind (CSE: NM) a psychedelic mental health company, CEO at Findev (TSVX: FDI) a real estate investment platform and CEO at Lake Central Air Services, the worlds leading integration partner for the airborne geophysical survey industry. Yisroel Weinreb will devote 10% of his time to the Corporation.

Alan Friedman, Director

Alan Friedman, age 49, has been associated with the North American public markets for two decades and has a depth of experience in representing, advising and assisting Canadian and global companies in acquiring assets, accessing capital, advising on mergers & acquisitions and navigating going public processes onto Canadian, US and UK stock exchanges with accompanying equity capital raisings. During his Bay Street career, he has been involved with or facilitated significant financings. Friedman is a former director of Cronos Group. He was or is a co-founder, director and/or senior executive of the following non-cannabis private and public companies: Auryx Gold Corp. sold for \$180mm, Eco (Atlantic) Oil & Gas Ltd., Enthusiast Gaming and Osino Resources. Alan obtained a Bachelor of Commerce and post grad in Law at UNISA and is an admitted attorney of the High Court of South Africa. He also worked for Investec Bank a global banking group and is a board member of the Canada Africa Chamber of Business promoting trade relations between Africa and Canada. He is currently a principal of Bayline Capital Partners, a financial advisory firm that is engaged in providing clients with advisory services relating to fund raising, corporate strategic alternatives and go-public transactions. Alan Friedman will devote 10% of his time to the Corporation.

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:

Name	Name of Reporting Issuer	Exchange	Position	Term
Aaron Unger	AIM1 Ventures Inc.	TSXV	Director	March 2017 – June 2018

	AIM2 Ventures Inc.	TSXV	Director	October 2017 – September 2018
	AIM3 Ventures Inc.	TSXV	Director	June 2018 – May 19, 2020
	AIM4 Ventures Inc.	TSXV	Director	January 2019 – December 2020
	Tova Ventures II Inc.	TSXV	Director	February 2017 – September 2018
	AIM5 Ventures Inc.	TSXV	Director	August 2020 - Present
	AIM6 Ventures Inc.	TSXV	Director	January 2021 - Present
Alan Friedman	AIM1 Ventures Inc.	TSXV	Director	March 2017 – June 2018
	AIM2 Ventures Inc.	TSXV	Director	October 2017 – September 2018
	AIM3 Ventures Inc.	TSXV	Director	June 2018 – May 19, 2020
	AIM4 Ventures Inc.	TSXV	Director	January 2019 – December 2020
	AIM5 Ventures Inc.	TSXV	Director	August 2020 - Present
	AIM6 Ventures Inc.	TSXV	Director	January 2021 - Present
	Adira Energy Ltd.	TSXV	Officer	August 2009 – April 2018
	Eco (Atlantic) Oil & Gas Ltd.	TSXV	Director and Officer	December 2011 – Present
	Tova Ventures II Inc./ Enthusiastic Gaming Holdings Corp.	TSXV	Director and Promoter	February 2017 – Present
	The Cronos Group	TSX	Director	August 2012 – March 2019
	Osino Resources Corp.	TSXV	Director	June 2018 – Present
	Psyence Group Inc.	TSXV	Director	March 2021 – Present
	RG One Corp.	Unlisted	Director	November 2016 – Present
	GR Silver Mining Ltd.	TSXV	Director	March 2018 – September 2020
Yisroel Weinreb	Novamind Inc.	CSE	Director	April 2019 - Present
	Findev Inc.	TSXV	Director and Officer	September 2016 - Present
	Agau Resources Inc.	TSXV / Delisted	Director	March 2018 - Present
	The Hash Corporation	Unlisted	Director	May 2018 - Present

	Adent Capital Corp.	TSXV	Director	May 2017 – May 2018
	Academy Explorations Ltd.	CSE	Director	June 2018 – November 2018
	Capricorn Business Acquisition	TSXV	Director	March 2017 – August 2020
Jesse Kaplan	IM Cannabis Corp.	CSE	Director	October 2019 – March 2020
	Abacus Health Products, Inc.	CSE	Director	July 2018 – June 2020
	The Hash Corporation	Unlisted	Director	May 2018 - Present
	Novamind Inc.	CSE	Director	April 2019 - Present

The board of directors of the Corporation has an audit committee. The Corporation does not have any other committees.

The Audit Committee's Charter

The responsibilities and duties of the Audit Committee are set out in the Audit Committee's charter, the text of which is set forth in Appendix "A" to this Prospectus.

Composition of the Audit Committee

The Audit Committee consists of three members: Yisroel Weinreb, Aaron Unger and Alan Friedman. All members of the Audit Committee are "independent" and "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). See above for Audit Committee member biographies of relevant education and experience.

Pre-Approval of Audit and Non-Audit Services by Independent Auditors

The Audit Committee pre-approves all audit services provided to the Corporation by its independent auditors. The Audit Committee's policy regarding the pre-approval of non-audit services is that all such services shall be pre-approved by the Audit Committee. Prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the board of directors of the Corporation.

Audit Fees

No audit fees have been paid to the Corporation's auditors from the date of incorporation (February 9, 2021) to the date of this Prospectus.

Exemption

The Corporation has not relied on any exemptions contemplated under National Instrument 51-110 – *Audit Committees*

Corporate Cease Trade Orders

No director, officer, Insider or promoter of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is or was within the 10 years before the date of the prospectus been a director, officer, Insider or promoter of any other Issuer that:

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

Penalties or Sanctions

No director, officer, Insider or promoter of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) 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.

Bankruptcies

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

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

Conflicts of Interest

There are potential conflicts of interest to which all of the directors, officers, Insiders and promoters of the Corporation may be subject to 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, including publicly traded corporations, which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Certain directors are or may become involved, from time to time, in consulting practices where client corporations may engage them to find assets that might be suitable as a potential candidate for a "Qualifying Transaction" for such corporation. Certain officers and directors are also currently or may become directors of other publicly traded corporations that are or may in the future seek business or asset acquisition transactions. Situations may arise where a particular business opportunity is not presented to the Corporation, but rather to another

corporation of which one of the directors or officers of the Corporation is also a director. Entrepreneurs and companies that are seeking to go public via a transaction with a publicly traded corporation may establish criteria that put the Corporation at a competitive disadvantage versus those other financing vehicles.

Accordingly, situations may arise where 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* (Ontario).

EXECUTIVE COMPENSATION

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

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

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

DILUTION

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of approximately \$0.02000 or 20.00%, assuming completion of the Minimum Offering and \$0.01429 or 14.29%, assuming completion of the Maximum Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing of this Prospectus, without deduction of commissions or related expenses incurred by the Corporation. Furthermore, where the Qualifying Transaction is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment.

Item	Minimum Offering	Maximum Offering
Gross proceeds of prior share issuances	\$1,000,000	\$1,000,000
Gross proceeds of the Offering	\$3,000,000	\$4,000,000
Total gross proceeds after the Offering	\$4,000,000	\$5,000,000
Offering Price	\$0.10	\$0.10
Proceeds per share after the Offering	\$0.08000	\$0.08333
Dilution per share to subscriber	\$0.02000	\$0.01667

Percentage of dilution in relation to the Offering Price	20.00%	16.67%
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RISK FACTORS

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

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of a Qualifying Transaction;
- (b) investment in the Common Shares offered by this Prospectus is highly speculative given the proposed nature of the Corporation's business and present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- (d) purchasers of Common Shares under this Prospectus will suffer an immediate dilution of approximately \$0.02000 or 20.00%, assuming completion of the Minimum Offering and \$0.01667 or 16.67%, assuming completion of the Maximum Offering;
- (e) 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 Common Shares;
- (f) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of a potential Qualifying Transaction;
- (g) the Corporation has only limited funds with which to identify and evaluate a potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares;
- (k) 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 (if required) and certain preliminary reviews have been conducted. The Common Shares of the Corporation may be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has

completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;

- (l) 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;
- (m) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (n) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (o) the Qualifying Transaction may be financed in whole or in 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;
- (p) if the Corporation does not make an election to be a “public corporation” for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) or have its shares listed on a designated stock exchange adverse tax consequences may arise with respect to any Common Shares held in respect of registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts.
- (q) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Corporation will be able to recover that loan;
- (r) the Corporation cannot be certain and provides no guarantee that, if the Qualifying Transaction is completed, the business acquired pursuant to the Qualifying Transaction will be profitable or ultimately benefit the Corporation and its shareholders. Neither the Exchange nor any securities regulatory authority passes on the merits of the proposed Qualifying Transaction. The Qualifying Transaction may also result in additional dilution to the Corporation’s shareholders, increased debt or a change in control of the Corporation. Any failure to successfully integrate a business acquired pursuant to the Qualifying Transaction or a failure of such business to benefit the Corporation, could have a material adverse effect on the Resulting Issuer’s business and results of operations; and
- (s) the Corporation faces risks related to health epidemics, pandemics and other outbreaks of communicable diseases, which could significantly disrupt its ability to complete a Qualifying Transaction on a timely basis, or at all, and adversely effect its financial conditions. The Corporation’s business could be adversely impacted by the effects of the COVID-19 pandemic or other epidemics and/or pandemics. In December 2019, COVID-19 emerged in China and the virus has now spread with infections been reported globally. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The extent to which COVID-19 impacts the Corporation’s ability to complete a Qualifying Transaction on a timely basis, or at all, and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken

to contain or treat the COVID-19 pandemic (including recommendations from public health officials). In addition, the COVID-19 pandemic represents a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the Corporation and its ability to complete a Qualifying Transaction in a timely manner, or at all.

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

LEGAL PROCEEDINGS

The Corporation has never been and is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation or its property.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers of the Corporation have acquired Common Shares in the seed capital phase of the Corporation. In addition, each of the directors and officers of the Corporation will be granted options to purchase Common Shares pursuant to the Corporation's Option Plan. See "Principal Shareholders" and "Options to Purchase Securities".

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

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

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to the Offering will be passed upon by Dentons Canada LLP, on behalf of the Corporation, and by Garfinkle Biderman LLP on behalf of the Agent.

Other than as set forth herein: (a) no Person whose profession or business gives authority to a statement made by such Person and who is named in this Prospectus has received or shall receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation; and (b) as at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Corporation or its Associates and Affiliates. In addition, other than as set forth above, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, 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.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is MNP LLP at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4. The transfer agent and registrar is TSX Trust Company, at 300 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares since the date of incorporation to the date hereof, other than the following:

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

Copies of these agreements will be available for inspection at the registered office of the Corporation located at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1, during ordinary business hours while the securities offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

ELIGIBILITY FOR INVESTMENT

In the opinion of Dentons Canada LLP, counsel to the Corporation, based on the current provisions of the Tax Act and the regulations thereunder, in force as of the date hereof, for Common Shares purchased pursuant to the Offering, only if, as and when the Common Shares are listed on a designated stock exchange (which includes the Exchange) or the Corporation is a "public corporation" as defined in the Tax Act, will the Common Shares be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**").

Notwithstanding the foregoing, the holder or subscriber of, or annuitant under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Common Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Common Shares will be a prohibited investment in their particular circumstances. However, a Common Share will not be a prohibited investment for a Registered Plan if such securities are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for such Registered Plan.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

Magen Ventures I Inc.
(A Capital Pool Company)

Financial Statements

**For the Period from the Date of Incorporation
(February 9, 2021) to February 28, 2021**

(In Canadian Dollars)

Independent Auditor's Report

To the Board of Directors of Magen Ventures I Inc.:

Opinion

We have audited the financial statements of Magen Ventures I Inc. (the "Corporation"), which comprise the statement of financial position as at February 28, 2021 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from February 9, 2021 (date of incorporation) to February 28, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at February 28, 2021, and its financial performance and its cash flows for the period from February 9, 2021 to February 28, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Toronto, Ontario
April XX, 2021

**Chartered Professional Accountants
Licensed Public Accountants**

Magen Ventures I Inc.
Statement of Financial Position
As at February 28, 2021
(in Canadian Dollars)

	2021
Assets	
Cash held in trust	\$ 488,870
	<u>\$ 488,870</u>
Liabilities	
Accrued liabilities	\$ 6,302
Shareholders' Equity	
Share capital, net of share issuance costs (Note 3)	485,500
Contributed surplus	184,474
Accumulated Deficit	(187,406)
	<u>482,568</u>
	<u>\$ 488,870</u>

Subsequent Events (Note 6)

Approved by the Board

CEO and CFO (**Signed**)

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

Magen Ventures I Inc.
Statement of Loss and Comprehensive Loss
For the Period from the Date of Incorporation (February 9, 2021) to February 28, 2021
(in Canadian Dollars)

Expenses		
Professional fees	\$	2,932
Stock-based Compensation		184,474
Net loss and comprehensive loss for the period		(187,406)
Net loss per share – basic and diluted	\$	-
Weighted average shares outstanding- basic and diluted		-

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

Magen Ventures I Inc.
Statement of Changes in Cash Flows
For the Period from the Date of Incorporation (February 9, 2021) to February 28, 2021
(in Canadian Dollars)

Cash provided by (used in)

Operating

Net loss for the period	\$ (187,406)
Stock-based compensation	184,474
Change in accrued liabilities	6,302
Cash provided by operating activities	3,370

Financing

Share subscription, net of issuance costs	485,500
Cash provided by financing activities	485,500

Net change in cash **488,870**

Cash, end of period **\$ 488,870**

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

Magen Ventures I Inc.
Statement of Changes in Shareholders' Equity
For the Period from the Date of Incorporation (February 9, 2021) to February 28, 2021
(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders ' Equity
Common shares issued (Note 3)	9,800,000	\$ 490,000	\$ -	\$ -	\$ 490,000
Share issuance costs	-	(4,500)	-	-	(4,500)
Share based compensation	-	-	184,474	-	184,474
Net loss for the period	-	-	-	(187,406)	(187,406)
Balance, February 28, 2021	9,800,000	\$ 485,500	\$ 184,474	\$ (187,406)	\$ 482,568

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

1. INCORPORATION AND NATURE OF BUSINESS

Magen Ventures I Inc. (the "Corporation") was incorporated under the *Business Corporations Act* (Ontario) on February 9, 2021 and is in the process of applying for status as a Capital Pool Company as defined in Policy 2.4 (the "Policy") of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Corporation has not commenced commercial operations and has no assets other than cash held in trust. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

The head office and the registered head office of the Corporation is located at 77 King Street West, Suite 400, Toronto, ON M5K 0A1.

On April [XX], 2021 the Board of Directors approved the financial statements for the period from the date of incorporation (February 9, 2021) to February 28, 2021.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Presentation

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

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments

Recognition

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

Classification

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

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

The Corporation has implemented the following classifications:

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

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

Measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

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

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

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

Income Taxes

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

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

Estimates

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

Magen Ventures I Inc.
Notes to the Financial Statements
For the Period from the Date of Incorporation (February 9, 2021) to February 28, 2021
(in Canadian Dollars)

3. SHARE CAPITAL AND SHARES TO BE ISSUED

Authorized - Unlimited common shares

Balance, February 9, 2021	\$	Nil
9,800,000 common shares issued	\$	490,000
Cost of issuance		(4,500)
<hr/>		
Balance, February 28, 2021	\$	485,500

Escrowed Shares

During the period ended February 28, 2021, the Corporation issued 9,800,000 common shares ("Common Shares") at \$0.05 per share for gross proceeds of \$490,000.

Share issuance costs of \$4,500 were associated with the above.

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the Corporation's initial public offering ("IPO"); and (b) all shares acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm's Length Parties (as defined in the Policy) to the Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

It is anticipated that, at the time of the IPO, an aggregate of 20,000,000 Common Shares will be held in escrow pursuant to the requirements of the Exchange (see "*Subsequent Events*").

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire, following completion of the IPO, a maximum of 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation (other than in connection with the completion of the QT – in which case 1 year) and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Magen Ventures I Inc.
Notes to the Financial Statements
For the Period from the Date of Incorporation (February 9, 2021) to February 28, 2021
(in Canadian Dollars)

3. SHARE CAPITAL – continued

Options – continued

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per Common Share in the IPO will be subject to the same escrow release schedule as the Common Shares issued for a price less than the offering price per Common Share in the IPO.

The following table reflects the continuity of stock options:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, February 9, 2021	-	-
Granted to directors and officers (i)	5,000,000	\$0.05
Balance, February 28, 2021	5,000,000	\$0.05

i. On February 22, 2021, the Corporation granted 5,000,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.05 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.22%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$184,474.

The following table reflects the actual stock options issued and outstanding as of February 28, 2021:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options Outstanding	Number of Stock Options Vested (Exercisable)
February 22, 2026	\$0.05	4.99	5,000,000	5,000,000
	\$0.05	4.99	5,000,000	5,000,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and accumulated deficit in the definition of capital.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

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

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Policy.

Risk Disclosures and Fair Values

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

5. RELATED PARTY TRANSACTIONS

The corporation incurred stock-based compensation expense related to directors and officers valued at \$184,474 during the period ended February 28, 2021.

6. SUBSEQUENT EVENTS

Filing of Prospectus and Initial Public Offering

The Corporation intends to file a prospectus to offer to sell and issue a minimum of 30,000,000 Common Shares (the "Minimum Offering") and a maximum of 40,000,000 Common Shares (the "Maximum Offering") at a price of \$0.10 per Common Share (the "Offering Price") for total gross proceeds of \$3,000,000 in the event of the Minimum Offering and gross proceeds of \$4,000,000 in the event of the Maximum Offering (collectively, the "Offering").

The Corporation has entered into an agreement with Canaccord Genuity Corp. (the "Agent") to raise gross proceeds of between \$3,000,000 in connection with the Minimum Offering or gross proceeds of \$4,000,000 in connection with the Maximum Offering. The Corporation will pay a commission of 8% of gross proceeds to the Agent and will grant the Agent the option to purchase Common shares equal to 8% of the total number of Common Shares sold as part of the Offering at an exercise price of \$0.10 per share for a period that is five years from the date the Common Shares are listed on the Exchange. The Corporation is also required to pay a corporate finance fee and will reimburse the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

In addition, and subject to regulatory approval, the Corporation intends to grant stock options to directors and officers of the Corporation to purchase a number of Common Shares equal to 10% of the number of Common Shares issued under the Offering in excess of the Minimum Offering.

On April 9, 2021, 10,200,000 Common Shares were issued at price per share of \$0.05 for an aggregate of \$510,000 cash and are currently outstanding; all such Common Shares will be subject to escrow (see "*Escrowed Shares*").

APPENDIX A

Audit Committee Charter

[Please see attached.]

MAGEN VENTURES I INC.

AUDIT COMMITTEE CHARTER

1. Introduction

The Audit Committee (the “**Committee**” or the “**Audit Committee**”) of Magen Ventures I Inc. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

A majority of the member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board may appoint a Chair of the Audit Committee. If so appointed, the Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair (or if no Chair is appointed, any member of the Committee) may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee may hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the “Applicable Requirements”).

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Company’s financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for auditing the Company’s annual consolidated financial statements and for reviewing the Company’s unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors’ report thereon and the related management’s discussion and analysis of the Company’s financial condition and results of operation (“**MD&A**”). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors’ review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Company's audit committee whistleblower program; and
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

(f) Periodical Review of Procedures

The Audit Committee shall assess the adequacy of the procedures set out in (d) and (e) above on an annual basis and shall make recommendation to the Board with respect to any necessary amendments to this Audit Committee Charter.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit

Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Communication with Internal Auditor

The internal auditor, when appointed, shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function.

Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Whistleblower Procedures

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and legal counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. Authority

The Audit Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) to communicate directly with the internal and external auditors.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. Mandate Review

The Audit Committee shall review and update this Mandate annually and present it to the Board for approval where the Audit Committee recommends amendments to this Mandate.

CERTIFICATE OF THE CORPORATION

Dated: April 14, 2021

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

(Signed) "Jesse Kaplan"

Jesse Kaplan
Chief Executive Officer and Chief
Financial Officer

ON BEHALF OF THE BOARD

(Signed) "Aaron Unger"

Aaron Unger
Director

(Signed) "Alan Friedman"

Alan Friedman
Director

CERTIFICATE OF THE AGENT

Dated: April 14, 2021

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

Canaccord Genuity Corp.

(Signed) "Jeff German"
Jeff German
Director Retail Corporate Finance