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PROSPECTUS

Initial Public Offering

January 18, 2019

LIBBY K INDUSTRIES INC.

(a capital pool company)

Minimum Offering: \$250,000 or 2,500,000 Common Shares

Maximum Offering: \$500,000 or 5,000,000 Common Shares

Price: \$0.10 per Common Share

Libby K Industries Inc. (the "**Corporation**") hereby offers on a commercially reasonable efforts basis through its agent, PI Financial Corp. (the "**Agent**"), a minimum of 2,500,000 common shares ("**Common Shares**") in the capital of the Corporation (the "**Minimum Offering**") and a maximum of 5,000,000 Common Shares (the "**Maximum Offering**") for sale to the public at a price of \$0.10 per Common Share (the "**Offering**"). The purpose of the Offering is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. Any proposed Qualifying Transaction, as hereafter defined, must be approved by TSX Venture Exchange (the "**Exchange**") and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, as hereafter defined, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

	Common Shares	Price to Public	Agent's Commission ⁽¹⁾	Proceeds to the Corporation ⁽²⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Minimum Offering	2,500,000 ⁽³⁾	\$250,000	\$25,000	\$225,000
Maximum Offering	5,000,000 ⁽³⁾	\$500,000	\$50,000	\$450,000

Notes:

- (1) A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent. In addition, the Agent will be granted non-transferable warrants ("**Compensation Options**") to purchase up to such number of Common Shares equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering, at a price of \$0.10 per Common Share for a period of 24 months from the date of listing of the Common Shares on the Exchange, which Compensation Options are qualified for distribution under this prospectus. The Agent has been paid a corporate finance fee of \$10,000 plus GST. The Agent will be reimbursed by the Corporation for its legal fees and expenses for which a deposit of \$10,000 has been paid. See "Plan of Distribution".
- (2) After the Agent's commission and before deducting the other expenses of this Offering, which are estimated to be \$86,440, which expenses include listing and filing fees, the Agent's corporate finance fee and legal expenses and the Corporation's legal and auditing expenses. See "Use of Proceeds".
- (3) Up to 5,000,000 Common Shares are offered hereunder. See "Plan of Distribution" and "Options to Purchase Securities".

This Offering is being made on a commercially reasonable efforts basis by the Agent. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement between the Corporation and the Agent. The Offering is subject to an aggregate minimum subscription of 2,500,000 Common Shares for total gross proceeds to the Corporation of \$250,000. If proceeds of at least \$250,000 are 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 the Agent and the subscribers, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Pursuant to the Agency Agreement, the Agent will be granted non-transferable warrants ("**Compensation Options**") to purchase the number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering at a price of \$0.10 per share expiring 24 months from the date the Common Shares are listed on the Exchange (the "**Listing Date**"). The Compensation Options are qualified for distribution under this prospectus. See "Plan of Distribution".

This prospectus also qualifies for distribution the stock options to be granted to the directors and officers of the Corporation to purchase up to a total of 1,110,000 Common Shares, assuming completion of the Maximum Offering. See "Plan of Distribution", "Description of The Securities Distributed" and "Options to Purchase Securities".

Market for Securities

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Compensation Options and the grant of stock options to the directors and officers of the Corporation, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the Commissions 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 Commission(s) grant a discretionary order.

There is currently no market through which the Common Shares offered by this prospectus may be sold and purchasers may not be able to dispose of them on a timely basis. Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per Common Share of \$0.0275 or 27.5% in the event of the Maximum Offering (\$0.0355 or 35.5% in the event of the Minimum Offering). See "Market for Securities" and "Risk Factors".

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

Risk Factors

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

The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. The Corporation has not commenced the process of identifying potential acquisitions. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "Risk Factors".

The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the Listing Date. The Commissions may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange and will issue an interim cease trade order if the Corporation's Common Shares are delisted from the Exchange. In addition, delisting of the Common Shares will result in the cancellation of the Common Shares of the Corporation owned by Non-Arm's Length Parties issued prior to this Offering. See "Risk Factors".

Investors must rely solely on the expertise of the Corporation's promoters, directors and officers for any possible return on their investment. The Corporation's promoters, directors, officers and control persons, as a group, beneficially own or control, directly or indirectly, 2,000,000 Common Shares, which represents 32.8% of the issued and outstanding Common Shares before giving effect to this Offering and 18.0% in the event of completion of the Maximum Offering (23.3% in the event of completion of the Minimum Offering). The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation and there may be potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. See "Dilution", "Business of the Corporation", "Directors, Officers and Promoters", "Use of Proceeds" and "Risk Factors".

Maximum Investment

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this prospectus, being 50,000 Common Shares (\$5,000) if the Minimum Offering is subscribed for and 100,000 Common Shares (\$10,000) if the Maximum Offering is subscribed for. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total Common Shares offered under this prospectus, being 100,000 Common Shares (\$10,000) if the Minimum Offering is subscribed for and 200,000 Common Shares (\$20,000) if the Maximum Offering is subscribed for. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The Agent hereby offers for sale a minimum of 2,500,000 Common Shares and a maximum of 5,000,000 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 DuMoulin Black LLP, Vancouver, British Columbia, on behalf of the Corporation and by Miller Thomson LLP, Vancouver, British Columbia, on behalf of the Agent.

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GLOSSARY

The following are definitions of certain terms used throughout this document.

"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 January 18, 2019 between the Corporation and the Agent.

"Agent" means PI Financial Corp.

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

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

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

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

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

- (a) an Issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Issuer,

- (b) any partner of the person or company,
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his or her spouse who has the same residence as that person;

but

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

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

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

"Common Shares" or **"Shares"** means the common shares of the Corporation.

"Compensation Options" means the non-transferable compensation options which will be granted to the Agent to purchase up to the number of Common Shares equal to 10% of the number of Common Shares sold pursuant to this Offering, at a price of \$0.10 per Common Share for a period of 24 months from the Listing Date. For details, see "Options to Purchase Securities".

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

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

"Corporation" means Libby K Industries Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia).

"CPC" means a corporation:

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

"CPC Policy" means Policy 2.4 of the Exchange.

"Escrow Agent" means Computershare Investor Services Inc.

"Escrow Agreement" means the escrow agreement dated January 16, 2019 among the Corporation, the Escrow Agent and the principal shareholders of the Corporation.

"Escrow Shares" means:

- (a) all Seed Shares issued at a price lower than the price of the IPO Shares;
- (b) all Seed Shares, IPO Shares and any securities acquired from treasury after the IPO but before issuance of the Final Exchange Bulletin (other than shares acquired which are subject to Section 11.6 of the CPC Policy and those shares acquired upon exercise of stock options which must be escrowed as provided in Section 7.5 of the CPC Policy) which are, directly or indirectly, beneficially owned or controlled by Non Arm's Length Parties of the CPC (as determined post IPO);
- (c) all securities acquired by a Control Person in the secondary market prior to Completion of the Qualifying Transaction; and
- (d) all Seed Shares purchased by a member of the Aggregate Pro Group.

"Exchange" or **"TSX-V"** means TSX Venture Exchange Inc.

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

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

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

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

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

"IPO" means a transaction that involves an Issuer offering securities to the public from its treasury pursuant to its first prospectus.

"IPO Shares" means the Common Shares offered to the public pursuant to the IPO.

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

"Listing Date" means the date of listing of the Common Shares on the Exchange.

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

- (a) Non Arm's Length Parties to the CPC;
- (b) Non Arm's Length Parties to the Qualifying Transaction; and

- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own Common Shares, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction at a properly constituted meeting of the common shareholders of the CPC.

"**Member**" has the meaning in Exchange Rule A 1.00.

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

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

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

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

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

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

"**Principal**" means:

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

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

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

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

"Pro Group" means:

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

"Promoter" means the definition prescribed by applicable securities laws.

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

"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 whether the securities are subject to resale restrictions or are free trading.

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

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

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

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

PROSPECTUS SUMMARY

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

Issuer: Libby K Industries Inc.

Business of the Corporation: The Corporation is a capital pool company pursuant to the CPC Policy. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See "Business of the Corporation".

Offering: A minimum of 2,500,000 and a maximum of 5,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share. In addition, the Corporation will grant Compensation Options to the Agent to purchase up to that number of Common Shares equal to 10% of the Common Shares sold pursuant to this Offering (up to 500,000 Common Shares assuming completion of the Maximum Offering), at a price of \$0.10 per share which will be exercisable for a period of 24 months from the Listing Date, which Compensation Options are qualified for distribution under this prospectus. The Corporation also intends to grant stock options to purchase that up to that number of Common Shares equal to 10% of the number of issued and outstanding Common Shares as at completion of the Offering (up to 1,110,000 Common Shares assuming completion of the Maximum Offering) at a price of \$0.10 per share for a period of 5 years to directors and officers under an incentive stock option plan, which options are qualified for distribution under this prospectus. See "Plan of Distribution".

Use of Proceeds: The total net proceeds to the Corporation, including the balance of cash proceeds raised prior to this Offering and the gross proceeds of this Offering will be approximately \$431,568 in the event of the Minimum Offering and approximately \$656,568 in the event of the Maximum Offering. These proceeds will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition, with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized from the sale of securities issued by the Corporation or \$210,000 may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Corporation" and "Risk Factors".

Directors and Officers: Robert Kiesman – Chief Executive Officer, Director and Chair
Merv Chia – Director
Mark Orsmond – Director, Chief Financial Officer, Corporate Secretary and Promoter
Kendra Low – Director

See "Directors, Officers and Promoters"

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

Escrowed Shares: All of the 6,100,000 issued and outstanding Common Shares of the Corporation, which were 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 three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

Risk Factors:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than a minimum amount of cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interests to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Maximum Offering, an investor will suffer an immediate dilution of investment of 27.5% or \$0.0275 per Common Share (35.5% or \$0.0355 per Common Share in the event of the Minimum Offering). There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

If the Corporation identifies a suitable business or asset, the Exchange may not approve the transaction as a Qualifying Transaction or management may determine that market conditions make the terms of the acquisition uneconomic. Furthermore, the Corporation may require additional financing to both secure and exploit the business opportunity and there is no guarantee that such financing will be available.

If the Corporation fails to complete a Qualifying Transaction acceptable to the Corporation's shareholders and the Exchange within 24 months of the Listing Date, or if the Corporation fails to comply with the Exchange's listing maintenance requirements, the Common Shares may be suspended from trading or delisted.

An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the interests of the shareholders in the Corporation to be further diluted.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon the directors, officers and experts outside of Canada. It may not be possible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada against such persons or companies. See "Business of the Corporation", "Risk Factors", and "Conflicts of Interest".

If the Corporation does not list the Common Shares on the Exchange prior to the time of closing in the manner contemplated under "Eligibility for Investment", adverse tax consequences will arise with respect to any Common Shares held in RRSPs, RRIFs, TFSAs or other deferred plans.

THE CORPORATION

Name and Incorporation

Libby K Industries Inc. was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on July 5, 2018. The head office of the Corporation is located at 1208 Rosewood Crescent, North Vancouver, BC V7P 1H4 and the registered office of the Corporation is located at 10th Floor, 595 Howe Street, Vancouver BC, V6C 2T5.

BUSINESS OF THE CORPORATION

Preliminary Expenses

The Corporation has incurred preliminary expenses of \$32,500 (exclusive of GST) in proceeding with the Offering. A portion of the proceeds of this Offering will be utilized to satisfy certain expenses or costs that relate to this Offering, including the expenses of its auditors, legal counsel, the Agent's legal counsel, the Agent's corporate finance fee and the securities regulatory authorities. Since July 5, 2018, the Corporation has incurred \$59,212 for the following categories in the amounts indicated:

Minimum Exchange listing fee (including GST)	\$5,250
Prospectus filing fees (including SEDAR fees)	\$7,690
Agent's corporate finance fee	\$10,000
Advance to Agent against its expenses	\$10,000
Corporation legal fees ⁽¹⁾	\$14,280
General and administrative expenses ⁽²⁾	\$ 11,992
TOTAL	\$59,212

Notes:

- (1) The Corporation incurred \$12,500 plus taxes and disbursements in legal fees in proceeding with the Offering.
- (2) The Corporation incurred \$11,992 in share issuance costs in connection with the issuance of the Seed Shares. See "Use of Proceeds" and the Financial Statements attached as Schedule "A" hereto.

Proposed Operations Until Completion of a Qualifying Transaction

The Corporation is a capital pool company pursuant to the CPC Policy. The principal business of the Corporation is 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 proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Corporation has not yet selected an industry sector to pursue a Qualifying Transaction.

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

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

Method of Financing

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

Criteria for a Qualifying Transaction

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

The potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. Approval of acquisitions will be made by the board of directors. The board of directors will examine proposed acquisitions having regard to, among other things, the (a) projected rate of return; (b) risk of loss; (c) prospects for growth; (d) skill of the management team; and (e) basic financing considerations, including the costs of the acquisition and the prospect of obtaining debt or equity financing to complete the acquisition.

Shareholder Approval of a Qualifying Transaction

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under the heading "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 either an Information Circular that complies with applicable corporate and securities laws or a Filing Statement that complies with Exchange requirements. An Information Circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A Filing Statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The Information Circular or Filing Statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must (a) file the Filing Statement on SEDAR at least seven business days prior to closing the Qualifying Transaction, and issue a press release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the Filing Statement is available on SEDAR; or (b) mail the Information Circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of shareholders.

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

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

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

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, Suspension and Delisting

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

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the Listing Date. If the Common Shares of the Corporation are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the *Business Corporations Act* (British Columbia) and shall make a pro rata distribution of its remaining assets to its shareholders, unless the shareholders, pursuant to a majority vote of shareholders, exclusive of the vote of Non Arm's Length Parties to the Corporation, determine to deal with the Corporation or its remaining assets in some other manner. See "Business of the Corporation - Criteria for a Qualifying Transaction, Shareholder Approval of a Qualifying Transaction, Initial Listing Requirements and Refusal of 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 aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firm; and
 - (iii) Associates of any such Person,collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds received by the Corporation from the sale of Seed Shares amount to \$305,000. The gross proceeds to be received by the Corporation from the sale of the Common Shares offered under the prospectus will be up to \$500,000 in the event of the Maximum Offering (\$250,000 in the event of the Minimum Offering). The Corporation estimates that, in the event of the Maximum Offering, it will incur approximately \$136,440 (including the Agent's commission of \$50,000) in expenses pertaining to the costs of the Maximum Offering prior to Closing, of which \$32,500 (exclusive of GST) has been incurred to date. In the event of the Minimum Offering, the Corporation estimates that, it will incur approximately \$111,440 (including the Agent's commission of \$25,000) in expenses pertaining to the costs of the Minimum Offering prior to Closing, of which \$32,500 (exclusive of GST) has been incurred to date. The Corporation expects the funds available to it on completion of the Maximum Offering will be \$656,568 (\$431,568 in the event of the Minimum Offering).

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:

PROCEEDS AND EXPENSES	MINIMUM OFFERING	MAXIMUM OFFERING
Cash proceeds raised prior to the Offering ⁽¹⁾	\$ 305,000	\$ 305,000
Cash Proceeds to be raised pursuant to this Offering	\$ 250,000 ⁽²⁾	\$ 500,000 ⁽³⁾
Expenses and costs relating to raising the Seed Share proceeds	\$ (11,992)	\$ (11,992)
Estimated expenses and costs relating to this Offering:		
Agent's commission	\$ (25,000)	\$ (50,000)
Agent's corporate finance fee	\$ (10,000)	\$ (10,000)
Agent's legal fees & expenses	\$ (15,000)	\$ (15,000)
Corporation's legal fees	\$ (28,000)	\$ (28,000)
Corporation's audit fees and expenses	\$ (10,000)	\$ (10,000)
Listing fees (including SEDAR fees)	\$ (23,440)	\$ (23,440)
Estimated Funds available on completion of the Offering	\$ 431,568	\$ 656,568
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾	\$ 391,568	\$ 616,568
Estimated general and administrative expenses until Completion of a Qualifying Transaction	\$ 40,000	\$ 40,000
Total net proceeds	\$ 431,568	\$ 656,568

Notes:

- (1) See "Prior Sales".

- (2) In the event the Agent exercises the Compensation Options, and the directors and officers exercise the stock options to be granted on the Closing Date, there will be available to the Corporation a maximum of an additional \$111,000, which will be added to the working capital of the Corporation. There is no assurance that any of these Compensation Options or stock options will be exercised.
- (3) In the event the Agent exercises the Compensation Options, and the directors and officers exercise the stock options to be granted on the Closing Date, there will be available to the Corporation a maximum of an additional \$161,000, which will be added to the working capital of the Corporation. There is no assurance that any of these Compensation Options or stock options will be exercised.
- (4) In the event that the Corporation enters into an Agreement in Principle prior to spending all of the funds available to it on identifying and evaluating assets or businesses, which the Corporation estimates will be \$616,568 in the event of the Maximum Offering (\$391,568 in the event of the Minimum Offering), the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

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

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

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

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

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

Restrictions on Use of Proceeds

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

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

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

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

Prohibited Payments to Non Arm's Length Parties

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

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

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

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

Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

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

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement dated as of January 18, 2019 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 of a minimum of 2,500,000 Common Shares and a maximum of 5,000,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, for gross proceeds of up to \$500,000 in the event of the Maximum Offering (\$250,000 in the event of the Minimum Offering), subject to the terms and conditions in the Agency Agreement. The Agent will receive a cash commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Corporation has paid to the Agent a corporate finance fee of \$10,000 and will reimburse the Agent for its legal fees and expenses, estimated at approximately \$15,000, for which a deposit of \$10,000 has been paid.

The Corporation has also agreed to grant to the Agent non-transferable Compensation Options to purchase up to the number of Common Shares equal to 10% of the Common Shares sold pursuant to this Offering, at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Listing Date. The grant of the Compensation Options is qualified under this prospectus. Not more than 50% of the Common Shares which can be acquired by the Agent on exercise of the total number of Compensation Options may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Corporation has agreed to grant to the Agent, upon closing of the Offering, a right of first refusal of any brokered equity financings the Corporation proposes to undertake until the later of: (a) the closing of the Corporation's Qualifying Transaction; and (b) 24 months from the closing of the Offering (the "**ROFR Termination Date**"). The Agent will also have a right of first refusal to provide sponsorship services for any Qualifying Transaction for the period ending on the ROFR Termination Date.

The Agent has agreed to use 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 extra cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Other than as described in this prospectus, there are no payments in cash, securities or other consideration being made, or to be made, to a Promoter, finder or any other person or corporation in connection with the Offering.

The Offering will be made in accordance with the rules and Policies of the Exchange and with the consent of the Exchange. The closing of the Offering will take place at such time as the Corporation and the Agent may agree, provided that the total subscription has been received.

Commercially Reasonable Efforts Offering and Minimum Distribution

The Offering consists of a minimum of 2,500,000 Common Shares and a maximum of 5,000,000 Common Shares for total gross proceeds of a minimum of \$250,000 and a maximum of \$500,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% of the total Common Shares in the Offering, namely, \$10,000 or 100,000 Common Shares in the event of the Maximum Offering (\$5,000 or 50,000 Common Shares in the event of the Minimum Offering). In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% of the total number of Common Shares under the Offering, namely, \$20,000 or 200,000 Common Shares in the event of the Maximum Offering (\$10,000 or 100,000 in the event of the Minimum Offering). The funds received from the Offering

will be deposited with the Agent and will not be released until \$250,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period and agreed to by the Agent, 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

The Corporation also proposes to grant stock options to purchase up to the number of Common Shares equal to 10% of the number of issued and outstanding Common Shares upon completion of the Offering (up to 1,110,000 Common Shares in the event of the Maximum Offering or up to 860,000 Common Shares in the event of the Minimum Offering) to directors and officers of the Corporation in accordance with the Policies of the Exchange, which options are qualified for distribution under this prospectus. The options will be granted on the Closing Date and will be exercisable at \$0.10 per Share for a period of 5 years.

Determination of Price

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

Listing Application

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

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

Subscriptions by and Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief, none of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing have subscribed for Common Shares of the Corporation. The maximum aggregate number of Common Shares permitted to be owned directly or indirectly by the Agent, or any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing, is 20% of the issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Compensation Options and the grant of the stock options to purchase up to 1,110,000 Common Shares assuming completion of the Maximum Offering, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Commissions and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which 6,100,000 Common Shares are issued and outstanding as fully paid and non-assessable as at the date of this prospectus. A total of up to 5,000,000 Common Shares are being qualified for distribution under this prospectus. The Corporation has reserved up to 1,110,000 Common Shares for issuance of the stock options to be granted on the Closing Date assuming completion of the

Maximum Offering, subject to regulatory approval, and up to 500,000 Common Shares for issuance pursuant to the Compensation Options. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Options to Purchase Securities" and "Plan of Distribution".

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Corporation's shareholders and are entitled to one vote for each Common Share held. The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Corporation. In the event of liquidation, dissolution or winding-up of the Corporation, the holders of the Common Shares are entitled to share pro rata in the remaining assets of the Corporation. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

CAPITALIZATION

Designation of Securities	Amount Authorized	Amount Outstanding as of the date of the most recent balance sheet contained in the prospectus ⁽¹⁾⁽²⁾	Amount Outstanding at the date of the prospectus ⁽¹⁾⁽²⁾	Amount to be Outstanding if all Common Shares being offered are sold	
				Minimum Offering ⁽³⁾⁽⁴⁾	Maximum Offering ⁽⁵⁾⁽⁶⁾
Common Shares	Unlimited	\$305,000 (6,100,000 Common Shares)	\$305,000 (6,100,000 Common Shares)	\$555,000 (8,600,000 Common Shares)	\$805,000 (11,100,000 Common Shares)

Notes:

- (1) As at the date of the Corporation's most recent balance sheet, the Corporation has not commenced commercial operations and no options have been granted.
- (2) These Common Shares are subject to escrow restrictions. See "Escrowed Securities".
- (3) Assuming completion of the Minimum Offering, the Corporation will reserve up to 860,000 Common Shares for issuance pursuant to stock options to be granted to directors and officers on the Closing Date, subject to regulatory approval. All such options will expire 5 years from the date of grant. See "Options to Purchase Securities". Assuming completion of the Minimum Offering, the Corporation will also grant the Compensation Options to purchase up to 250,000 Common Shares at a price of \$0.10 per share expiring 24 months from the Listing Date.
- (4) Assuming completion of the Minimum Offering, \$555,000 represents the gross proceeds of the Offering and prior sales of Common Shares of the Corporation without the deduction of related expenses or the Agent's commissions, which the Corporation estimates will be approximately \$111,440 in the event of the Minimum Offering.
- (5) Assuming completion of the Maximum Offering, the Corporation will reserve up to 1,110,000 Common Shares for issuance pursuant to stock options to be granted to directors and officers on the Closing Date, subject to regulatory approval. All such options will expire 5 years from the date of grant. See "Options to Purchase Securities". Assuming completion of the Maximum Offering, the Corporation will also grant the Compensation Options to purchase up to 500,000 Common Shares at a price of \$0.10 per share expiring 24 months from the Listing Date.
- (6) Assuming completion of the Maximum Offering, \$805,000 represents the gross proceeds of the Offering and prior sales of Common Shares of the Corporation without the deduction of related expenses or the Agent's commissions, which the Corporation estimates will be approximately \$136,440 in the event of the Maximum Offering.

OPTIONS TO PURCHASE SECURITIES

Stock Option Terms

Assuming completion of the Maximum Offering, stock options to purchase up to 1,110,000 Common Shares (860,000 Common Shares in the event of the Minimum Offering) are to be granted on the Closing Date to the directors and officers of the Corporation and are qualified for distribution pursuant to this prospectus.

The Corporation has adopted an incentive stock option plan (the "**Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants 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 at the time of the grant. Such options will be exercisable for a period of up to 10 years from

the date of grant. Under the Option Plan, options are required to have an exercise price not less than the closing market price of the Corporation's shares prevailing on the day that the option is granted less applicable discount, if any, permitted by the policies of the Exchange. Pursuant to the Option Plan, the board of directors of the Corporation may from time to time authorize the issue of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or an aggregate maximum of 2% if the optionee(s) are engaged in investor relations activities or if the optionee is a consultant, no more than 2% per consultant. The Option Plan contains no vesting requirements other than those that will apply to options granted to investor relations service providers, but permits the board of directors of the Corporation to specify a vesting schedule in its discretion.

Until the Completion of the Qualifying Transaction, the Option Plan is subject to all the terms and conditions contained in the CPC Policy. In particular, prior to the Completion of the Qualifying Transaction:

- the persons eligible to receive options under the Option Plan will be limited to directors and officers of the Corporation, and where permitted by securities laws, a technical consultant whose particular industry experience in relation to the business of the Vendors or the Target Company (each as defined in the CPC Policy), as the case may be, is required to evaluate the proposed Qualifying Transaction (as defined in the CPC Policy), or a company (as defined in the policies of the Exchange), all of whose securities are owned by such director, officer, or technical consultant, and specifically excludes any person providing Investor Relations Activities (as defined in the policies of the Exchange), promotional or market-making services.
- the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the common shares to be outstanding after closing of the Offering and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the common shares to be outstanding after closing of the Offering.
- until completion of the Qualifying Transaction, the total number of common shares reserved as stock options may not exceed 10% of the common shares outstanding as at the closing of the Offering.
- the exercise price of options granted under the Option Plan cannot be less than the greater of IPO Share price and the Discounted Market Price (as defined under Exchange policies).
- options granted to an optionee that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer have a maximum term of the greater of 12 months after Completion of the Qualifying Transaction and 90 days after such optionee ceases to become a director, officer, technical consultant or employee of the Resulting Issuer.
- any Common Shares acquired pursuant to the exercise of options prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "*Escrowed Securities*".

Options to be Granted to Directors and Officers

Subject to regulatory approval, the Corporation intends to enter into stock option agreements with its directors and officers pursuant to the Option Plan, on the Closing Date, as follows:

	Numbers of Common Shares Under Option ⁽¹⁾		Exercise Price Per Common Share	Expiry Date ⁽²⁾
	Minimum Offering	Maximum Offering		
Robert Kiesman	215,000	277,500	\$0.10	5 years after Closing Date
Merv Chia	215,000	277,500	\$0.10	5 years after Closing Date
Mark Orsmond	215,000	277,500	\$0.10	5 years after Closing Date
Kendra Low	215,000	277,500	\$0.10	5 years after Closing Date
Total:	860,000	1,110,000		

- Note:
- (1) Each director and officer of the Corporation will be granted stock options to purchase up to that number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares at completion of the Offering, divided by four.
 - (2) 100% of the stock options will vest immediately on the date of grant, namely the Closing Date, and will expire earlier if the holder ceases to act as a director or officer of the Corporation, or becomes deceased.

All Common Shares acquired pursuant to the exercise of stock options prior to the Completion of the Qualifying Transaction must be deposited in escrow and shall be subject to escrow until the issuance of the Final Exchange Bulletin. See "Escrowed Securities". The stock options to be granted on the Closing Date to the directors and officers are qualified for distribution under this prospectus. See "Plan of Distribution".

Compensation Options

The Agent will receive Compensation Options, which will entitle the Agent to purchase up to 500,000 Common Shares at a price of \$0.10 per Common Share exercisable for a period of 24 months from the Listing Date. The Compensation Options are qualified for distribution under this prospectus. See "Plan of Distribution".

PRIOR SALES

Since the date of incorporation of the Corporation, 6,100,000 Common Shares have been issued as follows:

Date	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
July 5, 2018	1	\$0.05	\$0.05	cash
August 16, 2018	5,999,999	\$0.05	\$299,999.95	cash
December 10, 2018	100,000	\$0.05	\$5,000	cash
Total	6,100,000⁽¹⁾		\$305,000	

- Note:
- (1) These Common Shares will be held in escrow. See "Escrowed Securities."

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 6,100,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by the Aggregate Pro Group prior to the Offering will be deposited with the Escrow Agent under the Escrow Agreement.

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

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

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

Name and Municipality of Residence of Shareholder	Number of Common Shares Owned	Number of Common Shares held in escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering	Percentage of Common Shares after giving effect to the Maximum Offering
Robert Kiesman Richmond, B.C.	600,000	600,000	9.84%	6.98%	5.41%
Mark Orsmond North Vancouver, B.C.	700,000	700,000	11.48%	8.14%	6.31%
NEX Industries Corp. ⁽¹⁾ Vancouver, B.C.	600,000	600,000	9.84%	6.98%	5.41%
Kendra Low North Vancouver, B.C.	100,000	100,000	1.64%	1.16%	0.90%
John Anderson Vancouver, B.C.	200,000	200,000	3.28%	2.33%	1.80%
Neville McClure Vancouver, B.C.	200,000	200,000	3.28%	2.33%	1.80%
Victor Gerchikov Vancouver, B.C.	100,000	100,000	1.64%	1.16%	0.90%
John Stark Vancouver, B.C.	200,000	200,000	3.28%	2.33%	1.80%
Hein Poulus Vancouver, B.C.	300,000	300,000	4.92%	3.49%	2.70%
Marcy Kiesman Richmond, B.C.	200,000	200,000	3.28%	2.33%	1.80%
Vincent Cummings West Vancouver, B.C.	600,000	600,000	9.84%	6.98%	5.41%
Altaf Nazerali Vancouver, B.C.	300,000	300,000	4.92%	3.49%	2.70%
Stacey Burstall Calgary, Alberta	200,000	200,000	3.28%	2.33%	1.80%
Aimee Ward West Kelowna, B.C.	200,000	200,000	3.28%	2.33%	1.80%
Harj Thind ⁽²⁾ Burnaby, B.C.	25,000	25,000	0.41%	0.29%	0.23%
Kari Balzer ⁽²⁾ Port Moody, B.C.	50,000	50,000	0.82%	0.58%	0.45%
Malcolm Macisaac ⁽²⁾ Vancouver, B.C.	50,000	50,000	0.82%	0.58%	0.45%
Marni Katz ⁽²⁾ Vancouver, B.C.	250,000	250,000	4.10%	2.91%	2.25%
Michael Marosits ⁽²⁾ West Vancouver, B.C.	100,000	100,000	1.64%	1.16%	0.90%
Stephanie Elliott ⁽²⁾ Vancouver, B.C.	75,000	75,000	1.23%	0.87%	0.68%
Todd Eymann ⁽²⁾ Vancouver, B.C.	100,000	100,000	1.64%	1.16%	0.90%

Name and Municipality of Residence of Shareholder	Number of Common Shares Owned	Number of Common Shares held in escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering	Percentage of Common Shares after giving effect to the Maximum Offering
Eymann Investments Corp. ^{(2) (3)} Vancouver, B.C.	100,000	100,000	1.64%	1.16%	0.90%
Noordin S K Nanji Law Corporation ⁽⁴⁾ Vancouver, B.C.	250,000	250,000	4.10%	2.91%	2.25%
Impactreneur Capital Corp. ⁽⁵⁾ Vancouver, B.C.	600,000	600,000	9.84%	6.98%	5.41%
Total	6,100,000	6,100,000	100.00%	70.93%	54.95%

Notes:

- (1) Company controlled by Merv Chia, a director of the Corporation.
- (2) Member of the Aggregate Pro Group.
- (3) Company controlled by John Eymann.
- (4) Company controlled by Noordin S K Nanji.
- (5) Company controlled by Hamed Shahbazi

Where the Common Shares of the Corporation which are required to be held in escrow are held by a non-individual (a "**Holding Company**"), each Holding Company pursuant to the 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 any issuance of securities or transfer of securities that could reasonably result in a change of control of the Holding Company. In addition, the Exchange may require an undertaking from any control person of the Holding Company not to transfer the shares of that Holding Company.

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

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

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

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

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation; or
- (b) if the Corporation lists on NEX, either:

- (i) cancel all Seed Shares purchased by Non Arm's Length Parties to the Corporation at a discount from the IPO price in accordance with Section 11.2(a) of the CPC Policy; or
- (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Escrowed Securities on Qualifying Transaction

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

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow.

In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 Issuer subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3 year escrow release mechanism with:

- (a) 5% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin and an additional 5% releasable on the first six month anniversary of the Final Exchange Bulletin;
- (b) 10% of the escrowed securities being releasable in six month intervals on each of the 12 and 18 month anniversaries after the Final Exchange Bulletin;
- (c) 15% of the escrowed securities being releasable in six month intervals on each of the 24 and 30 month anniversaries after the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the 36 month anniversary after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with:

- (a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;
- (b) 20% of the escrowed securities being releasable on the first 6 month anniversary after the Final Exchange Bulletin;
- (c) 30% of the escrowed securities being releasable on the 12 month anniversary after the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the 18 month anniversary after the Final Exchange Bulletin.

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence	Type of Ownership	Number of Common Shares ⁽¹⁾	Percentage of Common Shares Owned Before Offering	Common Shares Owned After the Offering			
				Percentage ⁽²⁾		Fully-Diluted Percentage Assuming Exercise of all Options ⁽³⁾	
				Minimum Offering	Maximum Offering	Minimum Offering	Maximum Offering
Mark Orsmond North Vancouver, B.C.	Of Record and Beneficial	700,000	11.48%	8.14%	6.31%	9.42%	7.69%

Notes:

- (1) These Common Shares are all to be held in escrow. See "Escrowed Securities".
- (2) Before giving effect to the exercise of the Compensation Options or the exercise of the stock options and assuming that the above shareholder does not acquire any additional Common Shares under the Offering.
- (3) Assumes all Compensation Options and stock options have been fully exercised. For the purposes of this calculation, each director and officer is assumed to have exercised all options held by such director and officer.

DIRECTORS, OFFICERS AND PROMOTERS

The following are the names and municipalities of residence of the directors, officers and promoters of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years.

Name, Address, Occupation and Security Holdings

Name, Municipality of Residence, and Position with Corporation	Principal Occupation for Past Five Years	Age	Security Holdings	
			Minimum Offering	Maximum Offering
Robert Kiesman Richmond, B.C. <i>Chief Executive Officer, Director and Chair</i>	Associate lawyer with Stikeman Elliott LLP from 2009 to June 2017. President and Chief Legal Officer of Steveston Employment Advisors Inc. since June 2017	42	600,000 Common Shares (6.98%) ⁽²⁾ 215,000 stock options ⁽³⁾	600,000 Common Shares (5.41%) ⁽²⁾ 277,500 stock options ⁽³⁾
Mark Orsmond ⁽¹⁾ North Vancouver, B.C. <i>Chief Financial Officer, Corporate Secretary, Director and Promoter</i>	CFO of All-Sea Enterprises Ltd. from June 2008 to July 2018; President of Mercantile Consulting Limited from September 2001 to January 2018; President of Movarie Capital Inc. from May 2012 to March 2016; CFO of the Corix Group from September 2017 to December 2017; Senior Consultant from January 2018 to August 2018; President, CEO and Director of Danacore Industries Inc. since January 2018.	51	700,000 Common Shares (8.14%) ⁽²⁾ 215,000 stock options ⁽³⁾	700,000 Common Shares (6.31%) ⁽²⁾ 277,500 stock options ⁽³⁾
Merv Chia ⁽¹⁾ West Vancouver, B.C. <i>Director</i>	President of Nex Industries Corp. since 1999; Chairman of Oxygen Hospitality Group Inc. since 2017.	55	600,000 Common Shares (6.98%) ⁽²⁾⁽⁴⁾ 215,000 stock options ⁽³⁾	600,000 Common Shares (5.41%) ⁽²⁾⁽⁴⁾ 277,500 stock options ⁽³⁾
Kendra Low ⁽¹⁾ North Vancouver, B.C. <i>Director</i>	President of Kalamandra Consulting Inc.	39	100,000 Common Shares (1.16%) ⁽²⁾ 215,000 stock options ⁽³⁾	100,000 Common Shares (0.90%) ⁽²⁾ 277,500 stock options ⁽³⁾
Total:			2,000,000 Common Shares (23.3%)	2,000,000 Common Shares (18.0%)

Note:

- (1) Member of the Audit Committee, of which Kendra Low is Chair. The Corporation does not have a compensation, nominating or corporate governance committee.
- (2) On an undiluted basis assuming no exercise of any outstanding convertible securities.
- (3) Each director and officer of the Corporation will be granted stock options to purchase up to that number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares at completion of the Offering, divided by four.
- (4) Shares are registered in the name of NEX Industries Corp., a company controlled by Merv Chia.

All of the directors currently have employment outside of the Corporation. Each of the directors and officers of the Corporation has agreed to devote as much of his time to the business and affairs of the Corporation as necessary to complete the Corporation's Qualifying Transaction. In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high standard of management. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset within twenty-four (24) months of the closing of this Offering.

The directors and officers of the Corporation currently own or control, directly or indirectly, 2,000,000 Common Shares or 32.8% of the issued and outstanding Common Shares and will own 18.0% of the issued and outstanding Common Shares in the event of completion of the Maximum Offering and on an undiluted basis assuming no exercise of any outstanding convertible securities (23.3% in the event of completion of the Minimum Offering and on an undiluted basis assuming no exercise of any outstanding convertible securities). For particulars of the shareholdings of the directors and officers, see "Principal Shareholders".

The following is a brief description of the background of the directors and officers of the Corporation:

Robert Kiesman, Chief Executive Officer, Director and Chair (Age: 42 years)

Robert Kiesman is a private business owner and corporate lawyer who specialized in securities law and mergers & acquisitions for eight years (2009 to 2017) with Stikeman Elliott LLP in Vancouver. He has served as a member of the Vancouver Airport Authority's environmental advisory committee and has served as board chairman of the Steveston Harbour Authority since 2011. He also serves as a director, board secretary and Audit Committee chair of the Provincial Health Authority, a public health authority with an annual budget of over \$3 billion. Mr. Kiesman served as a director and Audit Committee chair of Powerband Solutions Inc. (TSX-V:PBX) from February 6, 2018 to December 18, 2018. Mr. Kiesman has a law degree from the University of British Columbia and a BA in Political Studies from Trinity Western University. Mr. Kiesman intends to devote approximately 15% of his time towards assisting the Corporation with obtaining a Qualifying Transaction and furtherance of that venture.

Mark Orsmond, Chief Financial Officer, Corporate Secretary, Director and Promoter (Age: 51 years)

Mark Orsmond has spent his working career (24 years) in the area of corporate finance. Mr. Orsmond began his career working for Lowenthal and Company in 1996, a member of the Johannesburg Stock Exchange (JSE). In 2000, Mr. Orsmond relocated to Canada and opened Mercantile Consulting Limited, a private boutique corporate finance and management accounting practice. Mercantile has provided these services to several public and private clients. In 2006, he served as CFO of Minco Mining & Metals Corporation (TSX:MMM) and VP Corporate Development of Minco Silver Corporation (TSX:MSV). In 2007/2008, Mr. Orsmond served as a director of Keegan Resources Inc. (TSX:KGN) which developed a major gold asset in Ghana. From March 2006 to January 2010, Mr. Orsmond served as CFO of Hedger Capital Inc. (TSX-V: HEC.P). Mr. Orsmond also served as the CFO of All-Sea Enterprises Ltd., the parent company of the ALL-SEA group of companies, a group of underwater maintenance companies. He recently served as interim CFO for the Corix Group of companies and as director and promoter of Movarie Capital Inc., a capital pool company that has since completed its "qualifying transaction" as Wellness Lifestyles Inc. (now WELL Health Technologies Corp.) (TSX-V:WELL). Mr. Orsmond is the President, CEO, Secretary and a director of Danacore Industries Inc., a capital pool company whose listing application is currently under review with the TSX-V. Mr. Orsmond holds his CPA (CMA) designation and has a BCompt degree from the University of South Africa. Mr. Orsmond intends to devote at least 15% of his time towards assisting the Corporation with obtaining a Qualifying Transaction and furtherance of that venture.

Merv Chia, Director (Age: 55 years)

Merv Chia is a business entrepreneur, investor and an active volunteer. Mr. Chia has been Chairman of Oxygen Hospitality Group Inc., a private Arizona-headquartered hotel company, since 2017 and President of NEX Industries Corp., a private investment company, since 1999. Mr. Chia has held seven corporate board directorships and has served as chairman and CEO of Newton Energy Corporation (NEX:NTNH) from 2003 to 2017; CEO of NEX Technology Capital Corp. from 2014 to 2017, president of CET Energy Technologies from 2000 to 2005 and founder of Pan Terra Industries Inc. (TSX-V:PNT). He was a Red Cross technical advisor in West Africa from 2008 to 2013 and is currently co-chair of a municipal appointed board. He graduated University of Winnipeg Collegiate and studied finance and marketing at the University of Manitoba. Mr. Chia intends to devote approximately 10% of his time towards assisting the Corporation with obtaining a Qualifying Transaction and furtherance of that venture.

Kendra Low, Director (Age: 39 years)

Kendra Low holds an MBA from the University of British Columbia and has more than 14 years of experience working in corporate and sustainability governance. An experienced corporate secretary, corporate and sustainability governance professional and business strategist, she has advised boards and managed the governance function for both publicly-traded and not-for-profit organizations through different phases of organizational growth including startup, financing and development. Ms. Low has served

as VP Administration and Corporate Secretary of Baja Mining Corp. (TSX:BAJ) from May 2008 to May 2012. She is the founder and principal of Kalamandra Consulting Inc., a private corporate governance consulting firm that has worked with large energy, pulp & paper, and mining companies in addition to a host of smaller not-for-profit organizations. Ms. Low intends to devote approximately 10% of her time towards assisting the Corporation with obtaining a Qualifying Transaction and furtherance of that venture.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) 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	Name of Exchange or Market	Position	From (MM/YY)	To (MM/YY)
Robert Kiesman CEO, Director and Chair	PowerBand Solutions Inc.	TSX-V	Director	02/18	Present
Mark Orsmond CFO, Corporate Secretary, Director and Promoter	Movarie Capital Inc. (later WELL Health Technologies Inc.)	TSX-V	Director & CEO	05/12	03/16
	Danacore Industries Inc.	TSX-V	Director	01/18	Present
Merv Chia Director	Newton Energy Corporation	NEX	Director Chairman Interim CEO	03/03 01/13	09/17 09/17
Kendra Low Director	None	N/A	N/A	N/A	N/A

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is or has, within the last 10 years, been a director, officer, Insider or promoter of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

None of the directors, officers, Insiders or Promoters of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation or a personal holding company of such persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of the directors, officers, Insiders or Promoters of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation or a personal holding company of such persons is or has, during the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Indebtedness of Directors and Officers

None of the directors, officers and Promoters of the Corporation or any of their respective Associates or Affiliates has been indebted to the Corporation since the date of the Corporation's incorporation.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors, officers, Insiders and Promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some or all of the directors, officers, Insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

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 or indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

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

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

The directors and officers of the Corporation may also be granted stock options. See "Options to Purchase Securities".

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

RELATED PARTY TRANSACTIONS

There are no material transactions with the directors, officers, promoters or principal holders of the Corporation's securities, or Associates or Affiliates of such persons, that have occurred since the date of incorporation of the Corporation.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 27.5% or \$0.0275 per Common Share in the event of completion of the Maximum Offering (35.5% or \$0.0355 per Common Share in the event of completion of the Minimum Offering). Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

	Minimum Offering	Maximum Offering
Gross proceeds of prior share issuances	\$305,000	\$305,000
Gross proceeds of this Offering	\$250,000	\$500,000
Total gross proceeds after this Offering	\$555,000	\$805,000
Offering price per share	\$0.10	\$0.10
Gross proceeds per share after this Offering	\$0.0645	\$0.0725
Dilution per share to subscriber	\$0.0355	\$0.0275
Percentage of dilution in relation to offering price	35.5%	27.5%

ELIGIBILITY FOR INVESTMENT

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

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

Notwithstanding that the Common Shares may be qualified investments for a TFSA, RRSP, RRIF, RDSP or RESP (a "**Registered Plan**"), the holder, the subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax if such Common Shares are a "prohibited investment" for the purposes of the Tax Act. The Common Shares will generally be a "prohibited investment" for a Registered Plan if the holder, subscriber or annuitant, as the case may be, (a) does not deal at arm's length with the Corporation for the purposes of the Tax Act, or (b) has a "significant interest" (as defined in the Tax Act) in the Corporation.

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

RISK FACTORS

A purchase of Common Shares of the Corporation will be highly speculative and the purchaser's investment and the Corporation are subject to substantial risks, including the following, which list is not exhaustive:

- (a) the Corporation was incorporated on July 5, 2018; however it has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "*Conflicts of Interest*";
- (d) assuming completion of the Maximum Offering, an investor will suffer an immediate dilution to its investment of \$0.0275 per Common Share or 27.5% (\$0.0355 per Common Share or 35.5% in the event of the Minimum Offering) as set forth under "*Dilution*" above;
- (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 potential Qualifying Transactions;
- (g) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. The Corporation will also be in competition with other corporations with greater resources;
- (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 the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (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 and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;
- (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) the Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date. The

Commissions may issue an interim cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended from trading on the Exchange and will issue an interim cease trade order if the Corporation's Common Shares are delisted from the Exchange. In addition, delisting of the Common Shares will result in the cancellation of the Common Shares of the Corporation owned by Non-Arm's Length Parties issued prior to this Offering;

- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- (q) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan; and
- (r) if the Corporation does not list the Common Shares on the Exchange prior to the time of closing in the manner contemplated under "Eligibility for Investment", adverse tax consequences will arise with respect to any Common Shares held in RRSPs, RRIFs, TFSAs or other deferred plans.

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

LEGAL PROCEEDINGS

The Corporation is not currently a party to any actual or pending material legal proceedings to which the Corporation is or is likely to be a party or of which any of its assets are or are likely to be subject. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a "connected issuer" or a "related issuer" of the Agent, as those terms are defined in National Instrument 33-105 *Underwriting Conflict*. The employees, officers, and directors of the Agent do not own any Common Shares.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

As of the date hereof, no "professional person" (including the Corporation's auditor, a responsible solicitor or any partner of a responsible solicitor's firm nor any such person) holds any beneficial interest, direct or indirect, in any securities or properties of the Corporation or an Associate or Affiliate of the Corporation. In addition, no "professional person" is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have acquired a total of 2,000,000 Common Shares of the Corporation and up to a total of 1,110,000 Common Shares have been reserved for stock options to be granted to directors and officers of the Corporation. See "Options to Purchase Securities".

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Smythe LLP, Chartered Professional Accountants, 1700 – 475 Howe Street, Vancouver, British Columbia, V6C 2B3.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to subscribers for Common Shares since incorporation except:

- (a) Agency Agreement dated January 18, 2019 between the Corporation and the Agent, referred to under "Plan of Distribution";
- (b) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated September 5, 2018 between the Corporation and Computershare Investor Services Inc.;
- (c) Incentive Stock Option Plan referred to under "Options to Purchase Securities"; and
- (d) Escrow Agreement dated January 16, 2019 between the Corporation, Computershare Investor Services Inc. and the shareholders described above to under "Escrowed Securities".

Copies of these agreements will be available for inspection at the registered office of the Corporation, 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5, during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter. Copies of these agreements are also available on the SEDAR at www.sedar.com.

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

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

PURCHASER'S 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 or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the

remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

SCHEDULE "A" - FINANCIAL STATEMENTS

See attached.

LIBBY K INDUSTRIES INC.

Financial Statements

December 31, 2018 and September 30, 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF LIBBY K INDUSTRIES INC.

Opinion

We have audited the financial statements of Libby K Industries Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and September 30, 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for three month period ended December 31, 2018 and for the period from incorporation on July 5, 2018 to September 30, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and September 30, 2018, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$25,523 during the period ended December 31, 2018 and, as of that date, the Company had an accumulated deficit of \$41,800. The Company will be required to obtain the necessary financing to complete their Qualifying Transaction. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' 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 auditors' 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:

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Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Sukhjit Gill, CPA, CA

Vancouver, British Columbia
January 18, 2019

LIBBY K INDUSTRIES INC.
Statements of Financial Position
As at
(Expressed in Canadian Dollars)

	December 31, 2018	September 30, 2018
Assets		
Current		
Cash	\$ 246,786	\$ 272,590
Accounts receivable	2,414	633
Prepaid expenses	20,000	20,000
	\$ 269,200	\$ 293,223
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 6,000	\$ 9,500
Shareholders' Equity		
Share capital	305,000	300,000
Deficit	(41,800)	(16,277)
	263,200	283,723
	\$ 269,200	\$ 293,223

Nature of operations and going concern (note 1)
Events after the reporting period (note 10)

Approved on behalf of the Board:

"Robert Kiesman" (signed)
 Director

"Mark Orsmond" (signed)
 Director

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

LIBBY K INDUSTRIES INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2018	Period from Incorporation on July 5, 2018 to September 30, 2018
Operating Expenses		
Bank charges	\$ 39	\$ 6,000
Filing fees	12,690	215
Legal and professional fees	12,754	5,062
Office expenses	40	5,000
Net Loss and Comprehensive Loss for the Period	(25,523)	(16,277)
Basic and Diluted Loss per Share	\$ (0.00)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	6,019,565	2,827,586

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

LIBBY K INDUSTRIES INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital			Total Shareholders' Equity
	Number	Amount	Deficit	
		\$	\$	\$
Balance, July 5, 2018 (date of incorporation)	1	1	-	1
Repurchased by the Company	(1)	(1)	-	(1)
Issuance of common shares	6,000,000	300,000	-	300,000
Net loss for period	-	-	(16,277)	(16,277)
Balance, September 30, 2018	6,000,000	300,000	(16,277)	283,723
Issuance of common shares	100,000	5,000	-	5,000
Net loss for period	-	-	(25,523)	(25,523)
Balance, December 31, 2018	6,100,000	305,000	(41,800)	263,200

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

LIBBY K INDUSTRIES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2018		Period from Incorporation on July 5, 2018 to September 30, 2018	
Operating Activities				
Net loss for the period	\$	(25,523)	\$	(16,277)
Change in working capital balances:				
Accounts receivable		(1,781)		(633)
Prepaid expenses		-		(20,000)
Accounts payable and accrued liabilities		(3,500)		9,500
Cash Used in Operating Activities		(30,804)		(27,410)
Financing Activities				
Common shares issued		5,000		300,000
Cash Provided by Financing Activities		5,000		300,000
Change in Cash		(25,804)		272,590
Cash, Beginning of Period		272,590		-
Cash, End of Period	\$	246,786	\$	272,590

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

LIBBY K INDUSTRIES INC.
Notes to the Financial Statements
December 31, 2018 and September 30, 2018
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Libby K Industries Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on July 5, 2018 and is in the process of applying for status as a Capital Pool Company as defined in the TSX Venture Policy 2.4. The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets with a view of completing a Qualifying Transaction. The Company’s registered and records office address is 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5. The head office of the Company is located at 1208 Rosewood Crescent, North Vancouver, BC, V7P 1H4.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with working capital of \$263,200 as at December 31, 2018 (September 30, 2018 - \$283,723) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. In addition, the Company will require additional financing in order to carry out its business objectives. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on January 18, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

There are no financial assets classified as measured at amortized cost.

(ii) Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities included accounts payable and accrued liabilities.

LIBBY K INDUSTRIES INC.
Notes to the Financial Statements
December 31, 2018 and September 30, 2018
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(iii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash. The fair value of all other financial instruments which include prepaid expenses and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

(b) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Earnings (loss) per share

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

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(d) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management's judgments include:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

(f) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2019. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

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

Leases IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. It is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attract interest, together with a new asset. The Company does not have any leases and has initially assessed that there will be no material reporting changes as a result of adopting the new standard.

LIBBY K INDUSTRIES INC.
Notes to the Financial Statements
December 31, 2018 and September 30, 2018
(Expressed in Canadian Dollars)

4. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued and outstanding:

During the three-month period ended December 31, 2018;

- the Company issued 100,000 common shares at a price of \$0.05 per share for total proceeds of \$5,000.

During the period from incorporation on July 5, 2018 to September 30, 2018;

- the Company issued 1 common share for \$0.05 upon incorporation. The Company subsequently repurchased this share for the same amount, and
- the Company issued 6,000,000 common shares at a price of \$0.05 per share for total proceeds of \$300,000.

5. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

The Company did not have any related party transactions during the three-month period ended December 31, 2018 or the period from incorporation on July 5, 2018 to September 30, 2018.

6. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

As at December 31, 2018, the Company has cash of \$246,786 (September 30, 2018 - \$272,590) available to apply against short-term business requirements and current liabilities of \$6,000 (September 30, 2018 - \$9,500). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days.

LIBBY K INDUSTRIES INC.
Notes to the Financial Statements
December 31, 2018 and September 30, 2018
(Expressed in Canadian Dollars)

6. RISK MANAGEMENT (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

7. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

8. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Three Months Ended December 31, 2018	Period from Incorporation on July 5, 2018 to September 30, 2018
	\$	\$
Net loss for the period	(25,523)	(16,277)
Statutory income tax rate	27.00%	27.00%
Income tax benefit computed at statutory tax rate	(6,891)	(4,395)
Unused tax losses and tax offsets not recognized	6,891	4,395
Income tax expense	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company's unused tax losses for which no deferred tax asset is recognized as of December 31, 2018 is \$11,000 (September 30, 2018 - \$4,000).

At December 31, 2018, the Company has non-capital losses available of approximately \$42,000 (September 30, 2018- \$16,000) that may be carried forward to apply against future income for Canadian tax purposes and will expire between 2038 to 2039 (September 30, 2018 - 2038).

9. SEGMENTED INFORMATION

The Company has one operating segment, being the identification and evaluation of assets or businesses with the view of completing a Qualifying Transaction. All assets of the Company are located in Canada.

10. EVENTS AFTER THE REPORTING PERIOD

The Company intends to file a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the TSX-V, offering a minimum of 2,500,000 common shares and maximum 5,000,000 common shares at \$0.10 per share as an initial public offering (the "Offering"). Pursuant to an Agency Agreement between the Company and PI Financial Corp. (the "Agent"), the Agent will receive a cash commission equal to 10% of the gross proceeds and be granted non-transferable warrants to purchase the number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering at a price of \$0.10 per share expiring 24 months from the date the Common Shares are listed on the Exchange. The Agent will also be paid a corporate finance fee of \$10,000 (which was paid during the period ending September 30, 2018) and be reimbursed by the Company for expenses, including legal fees, incurred pursuant to the Offering.

Upon closing of the Offering, the Company intends on granting a minimum of 860,000 stock options and a maximum of 1,110,000 stock options. Each stock option is exercisable into one common share of the Company at \$0.10 per share for a period of 5 years.

CERTIFICATE OF THE CORPORATION

Dated: January 18, 2019

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

ON BEHALF OF THE BOARD OF DIRECTORS

"Robert Kiesman"

Robert Kiesman
Chief Executive Officer

"Mark Orsmond"

Mark Orsmond
Chief Financial Officer

"Merv Chia"

Merv Chia
Director

"Kendra Low"

Kendra Low
Director

CERTIFICATE OF THE PROMOTER

Dated: January 18, 2019

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

"Mark Orsmond"

Mark Orsmond

Promoter

CERTIFICATE OF THE AGENT

Dated: January 18, 2019

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

PI Financial Corp.

"Jim Locke"

Jim Locke

Vice President, Investment Banking