

*This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in respect of any sales pursuant to an "at-the-market" distribution as contemplated by National Instrument 44-102 – Shelf Distributions.*

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

*The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless the securities offered hereunder are registered under the U.S. Securities Act or exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons. See "PLAN OF DISTRIBUTION".*

*Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Cathedra Bitcoin Inc. at 320 – 638 Broughton Street, Vancouver, British Columbia V6G 3K3 (Telephone 604 477-9997), and are also available electronically at [www.sedarplus.com](http://www.sedarplus.com).*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

September 6, 2023

CATHEDRA BITCOIN INC.



US\$10,000,000

Common Shares

Warrants

Subscription Receipts

Units

Debt Securities

Share Purchase Contracts

This short form base shelf prospectus relates to the offering for sale from time to time, during the 25-month period, that this prospectus, including any amendments hereto, remains effective, of the securities of Cathedra Bitcoin Inc. (the "Company", "Cathedra", "we" or "our") listed above in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to **US\$10,000,000** (or the equivalent thereof in Canadian dollars or one or more foreign currencies or composite currencies). The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement.

In addition, the securities may be offered and issued in consideration for the acquisition of other businesses, assets or

securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the securities separately, a combination of securities or any combination of, among other things, securities, cash and the assumption of liabilities.

The common shares of the Company (“**Common Shares**”) are listed for trading on the on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “**CBIT**” and under the symbol “**CBTTF**” on the OTCQB Venture Market (the “**OTCQB**”). On September 5, 2023, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the TSXV and the OTCQB was C\$0.100 and US\$0.739, respectively.

Unless otherwise specified in an applicable prospectus supplement, debt securities, subscription receipts, units, warrants and share purchase contracts will not be listed on any securities or stock exchange or on any automated dealer quotation system. **There is currently no market through which the Company’s securities, other than the Common Shares, may be sold and purchasers may not be able to resell such securities purchased under this short form prospectus. This may affect the pricing of the Company’s securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of the Company’s securities and the extent of issuer regulation. See “RISK FACTORS”.**

**Prospective investors should be aware that the acquisition of the Company’s securities described herein may have tax consequences in both Canada and/or the United States. This prospectus or any applicable prospectus supplement may not describe these tax consequences fully. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully in the applicable prospectus supplement. You should read the tax discussion in any applicable prospectus supplement with respect to any particular offering and consult your own tax advisor with respect to your own particular circumstances.**

**No underwriter has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.**

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the securities in such jurisdiction. All applicable information permitted under securities legislation to be omitted from this prospectus that has been so omitted will be contained in one or more prospectus supplements that will, except in respect of any sales pursuant to an “at-the-market” distribution as contemplated by National Instrument 44-102 – Shelf Distributions (“**NI 44-102**”), be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the securities to which the prospectus supplement pertains. You should read this prospectus and any applicable prospectus supplement carefully before you invest in any securities issued pursuant to this prospectus. The Company may offer and sell the Securities (as defined hereinbelow) to or through underwriters purchasing as principal and may also sell the Securities to one or more purchasers directly, through applicable statutory exemptions, or through agents designated by the Company from time to time. This Prospectus may qualify an “at-the-market distribution” as defined in NI 44-102.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be an “at-the-market” distributions as contemplated by 44-102 and as permitted by applicable law, including sales made directly on the TSXV or other existing trading markets for the Securities, and as set forth in a prospectus supplement for such purpose. See “*PLAN OF DISTRIBUTION*”.

A prospectus supplement will set out the names of any underwriters, dealers or agents involved in the sale of the Company’s securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such securities, including the net proceeds we expect to receive from the sale of such securities, if any, the amounts and prices at which such securities are sold and the compensation of such underwriters, dealers or agents.

**Investment in the securities being offered is highly speculative and involves significant risks that you should consider before purchasing such securities. You should carefully review the risks outlined in this prospectus (including any prospectus supplement) and in the documents incorporated by reference as well as the information under the heading “Cautionary Note Regarding Forward-Looking Statements” and consider such risks and information in connection with an investment in the securities.**

The specific terms of the securities with respect to a particular offering will be set out in one or more prospectus supplements and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the offering price, the designation, number and terms of the Common Shares or debt securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the number of subscription receipts being offered, the offering price, the procedures for the exchange of the subscription receipts for Common Shares, debt securities or warrants, as the case may be, and any other specific terms; (iv) in the case of debt securities, the specific designation, the aggregate principal amount, the currency or the currency unit for the debt securities being offered, the maturity, the interest provisions, the authorized denominations, the offering price, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt securities are secured, affiliate-guaranteed, senior or subordinated and any other terms specific to the debt securities being offered; (v) in the case of units, the designation, number and terms of the Common Shares, warrants, subscription receipts, share purchase contracts or debt securities comprising the units; and (vi) in the case of share purchase contracts, whether the share purchase contracts obligate the holder to purchase or sell or both purchase and sell Common Shares, whether the share purchase contracts are to be prepaid or not or paid in instalments, any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied, whether the share purchase contracts are to be settled by delivery, any provisions relating to the settlement of the share purchase contracts, the date or dates on which the sale or purchase must be made, whether the share purchase contracts will be issued in fully registered or global form and the material income tax consequences of owning, holding and disposing of the share purchase contracts. Where required by statute, regulation or policy, and where securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the securities will be included in the prospectus supplement describing the securities.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. Three of the Company's material subsidiaries, namely Fortress Blockchain (US) Holdings Corp., Cathedra Lease Co. and Entelechy Bitcoin SPV LLC are incorporated under United States laws and some of the Company's directors and officers, namely: Antonin Scalia, Thomas Armstrong, David Jaques, Marcus Dent, Rete Browning and Isaac Fithian, reside outside of Canada and have appointed legal counsel to the Company at the office set forth below as their agent for service of process in Canada.

The Company's registered office is located at 320 – 638 Broughton Street, Vancouver, British Columbia V6G 3K3. The office of the Company's legal counsel and agent for service of process is located at 18 King St. E, Suite 902, Toronto, Ontario M5C 1C4.

Investors should rely only on the information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this prospectus (including any applicable prospectus supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. We will not make an offer of these securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date on the face page of this prospectus, the date of any applicable prospectus supplement or the date of any documents incorporated by reference herein.

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy the securities offered pursuant to this prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus and any applicable prospectus supplement is accurate only as of the date on the front of such document and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or any applicable prospectus supplement or of any sale of the Company's securities pursuant thereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus and any applicable prospectus supplement, and the documents incorporated by reference in this prospectus and any applicable prospectus supplement, were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

In this prospectus and any prospectus supplement, unless otherwise indicated, all dollar amounts and references to "CS\$" or "\$" are to Canadian dollars and references to "US\$" are to U.S. dollars. This prospectus and the documents incorporated by reference contain translations of certain U.S. dollar amounts into Canadian dollars solely for your convenience. See "*CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION*".

In this prospectus and in any prospectus supplement, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Catheda" or the "Company", refer to Catheda Bitcoin Inc. together, where context requires, with its subsidiaries and affiliates.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and other information contained in this prospectus constitute "forward-looking information" under Canadian Securities Laws and "forward-looking statements" under U.S. securities laws (collectively "forward-looking statements"). Such forward-looking statements include, but are not limited to:

- the future price of cryptocurrencies, such as bitcoin and the other types of digital assets which Catheda and its subsidiaries mine, hold and trade;
- the Company's intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in the businesses of the Company and its subsidiaries;
- the liquidity and market price of the Common Shares
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital; and
- potential impacts of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic.

These forward-looking statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "future", "continue" or similar expressions or the negatives thereof.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and such forward-looking statements included in this prospectus should not be unduly relied upon. These statements speak only as of the date of this prospectus.

The forward-looking statements in this document are based on what the Company currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Company (such documents are available under the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com)). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the business and economic conditions affecting the Company's operations in their current state, including, general levels of economic activity, regulations, taxes and interest rates;
- the Company's ability to profitably generate cryptocurrencies;
- the Company's ability to successfully acquire and maintain required regulatory licenses and qualifications;
- historical prices of cryptocurrencies;
- the emerging cryptocurrency and blockchain markets and sectors;
- the Company's ability to maintain good business relationships;
- the Company's ability to manage and integrate acquisitions;
- the Company's ability to identify, hire and retain key personnel;
- the Company's ability to raise sufficient debt or equity financing to support the Company's continued growth;
- economic dependence on regulated terms of service and electricity rates;
- the technology, proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the cryptocurrencies and digital asset sector is able to be relied upon to conduct the Company's business;
- the Company does not suffer a material impact or disruption from a cybersecurity incident, cyber-attack or theft of digital assets;
- continued maintenance and development of cryptocurrency mining facilities;
- continued growth in usage and in the blockchain for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- the absence of adverse regulation or law; and
- the absence of material changes in the legislative, regulatory or operating framework for the Company's existing and anticipated business.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the risks that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- Limited operating history;
- Liquidity and future financing risk;
- Going concern risk;
- Profit and cash flow risk;
- Discretion regarding use by the Company of available funds;
- Share price fluctuations;
- Tax consequences;
- Facility developments;
- Risks related to the non-availability of insurance;
- Competition;

- Cryptocurrency industry risks;
- Cybersecurity threats and malicious actors;
- Possibility of less frequent or cessation of monetization of cryptocurrencies;
- Limited history of decentralized financial system;
- Banking risk;
- Technological obsolescence and difficulties in obtaining hardware;
- Risk of equipment breakdown;
- Hazards associated with high-voltage electricity transmission and industrial operations;
- Valuation and price volatility of cryptocurrencies;
- Cryptocurrency exchange risk;
- Bitcoin halving events;
- Risk of reduced incentives;
- Uncertainty of acceptance and/or widespread use of cryptocurrency;
- Bitcoin network risks;
- Erroneous transactions and human error;
- Risk of loss, theft or restriction on access;
- Third-party risk;
- Risk of system failure;
- Technological system risks;
- Access to power and electricity rate risks;
- Server failures
- Global financial conditions;
- Political and regulatory risk;
- Permits and licenses;
- Environmental liability;
- Intellectual property risk;
- Litigation risk;
- Key personnel risk;
- Credit risk;
- Interest rate risk;
- Currency exchange risks;
- Contractual risk;
- Unforeseen expenses;
- Geopolitical risk;
- Pandemic risk;
- The need for the Company to manage its planned growth and expansion;
- Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure;
- Loss of key employees;
- Discretion over use of proceeds;

- Absence of a public market for certain of the Company's securities;
- Unsecured debt securities;
- Effect of changes in interest rates on debt securities;
- Effect of fluctuations in foreign currency markets on debt securities; and
- Trading price of common shares and volatility.

Additional information on these and other factors is discussed under the heading "RISK FACTORS" in this prospectus and in the documents incorporated by reference herein including in the 2022 MD&A (as defined herein) under the headings "Financial Instruments and Risks" and "Other Risks" and in the 2022 AIF (as defined herein) under the heading "Risk Factors", as may be modified or superseded by other subsequently filed documents that are also incorporated or deemed to be incorporated by reference in this prospectus.

The forward-looking statements contained in this prospectus are expressly qualified by this cautionary statement. Except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Cathedra at 320 – 538 Broughton Street, Vancouver, British Columbia V6G 3K3. (Telephone 604 477-9997) Attn: Chief Financial Officer. Such documents are also available without charge to shareholders and other interested parties through the "Investors" portion of the Company's website at [www.cathedra.com](http://www.cathedra.com) as well as on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR+**") at [www.sedarplus.com](http://www.sedarplus.com). The filings of the Company available on the Company's website and SEDAR+ are not incorporated by reference in this prospectus except as specifically set out herein.

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this short form base shelf prospectus:

- the Company's annual information form for the year ended December 31, 2022, dated as at May 24, 2023 and filed on May 26, 2023 (the "**2022 AIF**");
- the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021, the notes thereto and the independent auditors' reports thereon, filed on May 1, 2023 (the "**2022 Annual Financial Statements**");
- the Company's annual management's discussion and analysis for the year ended December 31, 2022, dated as at April 28, 2023 and filed on May 1, 2023 (the "**2022 MD&A**");
- the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June, 2023 and 2022 and filed on August 29, 2023 (the "**Q2 Interim Financial Statements**");
- the Company's management's discussion and analysis for the three and six months ended June 30, 2023 and 2022 and filed on August 29, 2023 (the "**Interim MD&A**");
- the information circular dated July 14, 2023 with respect to an annual general meeting of shareholders to be held on August 31, 2023;
- the material change report dated January 12, 2023 relating to operational and corporate updates of the Company;
- the material change report dated January 23, 2023 relating to updates regarding the Company's operations and the sale of certain bitcoin mining machines;
- the material change report dated February 2, 2023 relating to the leasing of a 2.5-megawatt bitcoin mining facility in Washington State;

- the material change report dated February 6, 2023 relating to the entering into of a hosting agreement for certain of the Company's new bitcoin mining machines;
- the material change report dated February 21, 2023, relating to the settlement of a portion of the Company's outstanding debt;
- the material change report dated March 9, 2023 relating to the settlement of a portion of the Company's outstanding debt;
- the material change report dated April 5, 2023 relating to a change in the Company's board of directors;
- the material change report dated April 10, 2023 relating to the closing of the settlement of a portion of the Company's outstanding debt;
- the material change report dated April 18, 2023 relating to operational and corporate updates of the Company;
- the material change report dated May 1, 2023 relating to the Company's results for the fourth quarter and full-year of 2022;
- the material change report dated May 30, 2023 relating to the Company's results for the first quarter of 2023;
- the material change report dated June 2, 2023 relating to the Company's off-grid bitcoin mining partnership with 360 Mining, Inc.;
- the material change report dated June 22, 2023 relating to operational and corporate updates of the Company;
- the material change report dated September 3, 2023 relating to the Company's results for the second quarter of 2023; and
- the material change report dated September 3, 2023 relating to the results of the Company's annual general meeting of shareholders.

Any documents of the type described in Section 11.1 of Form 44-101F1 Short Form Prospectuses filed by the Company with a securities commission or similar authority in any province or territory of Canada subsequent to the date of this short form base shelf prospectus and prior to the expiry of this prospectus, or the completion of the issuance of securities pursuant hereto, will be deemed to be incorporated by reference into this prospectus.

A prospectus supplement containing the specific terms of any offering of the Company's securities will be delivered to purchasers of the Company's securities together with this prospectus and will be deemed to be incorporated by reference in this prospectus as of the date of the prospectus supplement and only for the purposes of the offering of the Company's securities to which that prospectus supplement pertains.

**Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, in any prospectus supplement hereto, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.**

Upon the Company's filing of a new annual information form and the related annual financial statements and management's discussion and analysis with applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and management's discussion and analysis and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of the Company's

securities under this prospectus. Upon interim consolidated financial statements and the accompanying management’s discussion and analysis being filed by us with the applicable securities regulatory authorities during the duration of this prospectus, all interim consolidated financial statements and the accompanying management’s discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities under this prospectus. Upon a new annual information form being filed by us with the applicable securities regulatory authorities during the term of this prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by us and incorporated by reference into this prospectus, such business acquisition report shall no longer be deemed to be incorporated into this prospectus for the purpose of future offers and sales of the securities hereunder. Upon a new information circular of the Company prepared in connection with an annual general meeting of the Company being filed with the applicable securities regulatory authorities during the currency of this prospectus, the previous information circular of the Company, if prepared in connection with solely an annual general meeting of the Company, shall be deemed no longer to be incorporated by reference into this prospectus for purposes of future offers and sales of Securities hereunder.

References to the Company’s website in any documents that are incorporated by reference into this prospectus do not incorporate by reference the information on such website into this prospectus, and we disclaim any such incorporation by reference.

### CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

The high, low, average and closing rates for the U.S. dollar in terms of Canadian dollars for each of the financial periods indicated below, as quoted by the Bank of Canada, were as follows:

	Three Months ended March 31, 2023	Three Months ended March 31, 2022	Year ended December 31, 2022	Year ended December 31, 2021
	(expressed in Canadian dollars)			
High	1.3807	1.2867	1.3856	1.2942
Low	1.3312	1.2470	1.2451	1.2040
Average	1.3525	1.2662	1.3013	1.2535
Closing	1.3533	1.2496	1.3544	1.2678

On September 5, 2023, the daily exchange rate for the U.S. dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = C\$1.3627.

### THE COMPANY

The following description of the Company is, in some instances, derived from selected information about us contained in the documents incorporated by reference into this prospectus. This description does not contain all of the information about us and our business that you should consider before investing in any securities. You should carefully read the entire prospectus and the applicable prospectus supplement, including the section entitled “*RISK FACTORS*”, as well as the documents incorporated by reference into this prospectus and the applicable prospectus supplement, before making an investment decision.

#### Name, Address and Incorporation

The Company was incorporated under the Ontario Business Corporations Act (the “**OBCA**”) on July 13, 2011 under the name “Focused Capital II Corp.” and continued under the British Columbia Corporations Act (the “**BCBA**”) on August 15, 2018. The Company changed its name to “Fortress Blockchain Corp.” on August 16, 2018, to “Fortress Technologies Inc.” on April 10, 2019 and then to “Cathedra Bitcoin Inc.” on December 8, 2021. The Company has its registered and head office located at 320-638 Broughton Street, Vancouver, British Columbia, V63 3K3. The Company’s common shares (the “**Common Shares**”) are listed under the symbol “CBIT” on the TSXV and under the symbol “CBTTF” on the OTCQB.

### Subsidiaries

The table below lists the principal material subsidiaries of the Company as of the date hereof.

Name	Jurisdiction	Assets Held
Fortress Blockchain Holdings Corp.	Canada	Holding company
Fortress Blockchain (US) Holdings Corp.	Washington	Bitcoin mining equipment, bitcoin
Cathedra Lease Co.	New Hampshire	Bitcoin mining equipment leases
Entelechy Bitcoin SPV	Washington	Bitcoin mining equipment, bitcoin

### Summary Description of the Business

Cathedra Bitcoin Inc. (TSX-V: CBIT; OTCQB: CBTTF) is a Bitcoin company that has diversified bitcoin mining operations which produce 382 PH/s across five locations in the United States. The Company is focused on managing and expanding its portfolio of hash rate through a diversified approach to site selection and operations, utilizing multiple energy sources across various jurisdictions. The Company's business model is to produce bitcoin at below-market cost, retaining a portion of bitcoin mined on the Company's balance sheet for the foreseeable future.

The Company is headquartered in Vancouver, British Columbia, with mining operations in three states in the United States: Washington, Kentucky and Tennessee. In Washington, the Company operates two bitcoin mines that produce approximately 158 PH/s of bitcoin mining hash rate and are powered by grid electricity. The Company also hosts bitcoin mining machines at three third-party data centers in Kentucky and Tennessee which collectively produce approximately 224 PH/s of bitcoin mining hash rate. The Company's facilities are strategically located in diverse geographic locations to minimize risk.

The Company also develops and manufactures proprietary modular bitcoin mining data centers, referred to herein as "Bitcoin Mining Rovers" or "Rovers".

See the 2022 AIF under the heading "*DESCRIPTION OF BUSINESS*".

In the description of the business of the Company in this short form base shelf prospectus:

**"Bitcoin"** shall refer to a decentralized digital currency that is not controlled by any centralized authority (e.g. a government, financial institution or regulatory organization) that can be sent from user to user on the Bitcoin network without the need for intermediaries to clear transactions. Transactions are verified through the process of Mining and recorded in a public ledger known as the Blockchain. Bitcoin is created when the Bitcoin network issues Block Rewards through the Mining process;

**"Block Reward"** shall refer to the new bitcoins that are awarded by the Blockchain network to eligible cryptocurrency Miners for each block they successfully mine. The current block reward is 6.25 Bitcoin per block;

**"Blockchain"** shall refer to a cloud-based public ledger that exists on computers that participate on the network globally. The Blockchain grows as new sets of data, or 'blocks', are added to it through Mining. Each block contains a timestamp and a link to the previous block, such that the series of blocks form a continuous chain. Given that each block has a separate hash and each hash requires information from the previous block, altering information an established block would require recalculating all the hashes on the Blockchain which would require an enormous and impracticable amount of computing power. As a result, once a block is added to the Blockchain it is very difficult to edit and impossible to delete;

**"Hash"** shall refer to a function that converts or maps an input of letters and numbers into an encrypted output of a fixed length, which outputs are often referred to as hashes. A hash is created using an algorithm. The algorithm used in the validation of bitcoin transactions is the SHA-256 algorithm.

**"Hash rate"** shall refer to the number of hash operations performed per second and is a measure of computing power in Mining cryptocurrency;

“**kW**” shall refer to a kilowatt, which in the industry of cryptocurrency mining, is typically a reference to the number of kilowatts of electricity per hour that is available for use.

“**Miner**” shall refer to any individual, company, organization, or other entity that assembles and proposes blocks of transactions to the Bitcoin network in exchange for newly minted bitcoins and bitcoin transaction fees, or that participates in a bitcoin mining pool;

“**Mining**” shall refer to the process of using Miners to provide the service of verifying and validating cryptographic blockchain transactions and being rewarded with cryptocurrency in return for such service; and

“**Network Difficulty**” is a measure of how difficult it is to solve the cryptographic Hash that is required to validate a block of transactions and earn a cryptocurrency reward from Mining.

## Operations

The estimated working capital of the Company at May 31, 2023, was approximately \$3.0 million. The Company raised capital in 2022 through an equipment financing agreement, two equity private placement financings and the sale of bitcoin and certain bitcoin mining equipment. See the 2022 AIF under the heading “*General Development of Business – Three-year History - Fiscal 2022 – Development of Operations*”.

The Company’s cash operating expenditures are estimated to be approximately \$11.0 million for the next 12 months, or about \$915,000 per month based on approximately \$740,000 per month for electricity and hosting costs for the Company’s existing operations in Washington, Tennessee and Kentucky (approximately 9.8 MW at a contracted blended average rate of approximately US\$64.00 per MWh); cash compensation expense of approximately \$70,000 per month based on existing employees at current compensation rates; and the balance for recurring professional fees and other ongoing general and administrative expenses of approximately \$110,000 per month. Offsetting the impact to the Company’s working capital of the cash operating expenditures is the generation of bitcoin from operations. In the most recently completed month, May 2023, the Company generated 28.6 bitcoin with value at June 7, 2023, of approximately \$1.0 million. The Company’s existing operations are contributing positively to the Company’s working capital position and will allow it to continue operations for the foreseeable future, under current bitcoin price and Network Difficulty conditions. As described under “*USE OF PROCEEDS*”, the Company’s planned capital expenditures over the next 18 months are anticipated to be in the range of approximately \$10.0 million to \$15.0 million, which exceeds the Company’s current working capital position and expected contributions to working capital from the Company’s existing operations. In the absence of additional financing, the Company will be unable to pursue certain growth targets, milestones and business objectives, as described under “*USE OF PROCEEDS – Business Objectives and Milestones*”.

In the 2022 financial year, the Company raised approximately US\$10.9 million (\$14.6 million) through an equipment financing agreement, approximately \$9.3 million through two equity private placements, approximately US\$2.7 million (\$3.7 million) through the sale of bitcoin mining equipment and approximately \$14.3 million through the sale of bitcoin. In addition to the foregoing and the proceeds of any financing pursuant to this prospectus, the Company intends to finance its business objectives from equipment finance debt facilities from existing and new lenders to the Company as well as borrowing against, or if necessary, liquidating, its bitcoin inventory. Liquidating or borrowing against the Company’s bitcoin inventory will not impact the Company’s operating activities and its revenue stream from ongoing Mining operations.

More detailed information regarding the business of the Company as well as its mining operations can be found in the 2022 AIF under the heading “*DESCRIPTION OF THE BUSINESS*”, the 2022 MD&A and the Interim MD&A, all of which are incorporated by reference herein.

## Custody of Crypto Assets

The Company holds its bitcoin through its wholly-owned U.S. subsidiary, Fortress Blockchain (US) Holdings Corp. (the “**U.S. Company**”). The U.S. Company works with NYDIG Trust Company LLC, a third-party custodian headquartered in New York City (the “**Custodian**”), who utilizes a cold storage custody configuration to store the U.S. Company’s cryptocurrency assets. The Custodian generates private keys offline, utilizing hardware that is not connected to the internet, mitigating the risk of remote access by hackers. The Company is not aware of any security

breaches or similar incidents involving the Custodian as a result of which cryptocurrency assets have been lost or stolen. Cryptocurrency private keys that are held using the Custodian's cold storage custody services are covered by an insurance policy from a syndicate of insurers that covers losses in a calendar year up to a specified amount. Subject to the full policy terms, conditions and exclusions, including sub-limits for certain types of losses, the policy covers: unrecoverable losses due to natural catastrophe, unrecoverable losses due to theft or copying of the private keys by a third party physically present within a secure area, insider and third-party collusion, and secure transit of related materials between the various geographically diverse secure storage facilities. However, the Company cannot ensure that the limits of this policy will be available to the Company or, if available, sufficient to make the Company whole for any of its bitcoin that is stolen or lost.

The Custodian has a track record of providing secure custody solutions to major banks, insurance companies, and other financial institutions. The Custodian is not a Canadian financial institution as defined in National Instrument 45-106 – *Prospectus Exemptions*, however it is a limited purpose trust company under applicable United States laws and is regulated by the New York Department of Financial Services. Prior to the U.S. Company onboarding with the Custodian, The Company performed a rigorous due diligence process to ensure that the Company's bitcoin would remain safe. The Custodian maintains stringent governance controls and utilizes a top-tier auditor for financials and custody procedures, including SOC 1 and SOC 2 reports. As of the date of this AIF, substantially all of the Company's cryptocurrency assets (approximately 98%) are held by the U.S. Company with the Custodian. In all reporting periods which ended prior to Fiscal 2021, the Company maintained self-custody of its cryptocurrency assets and accordingly, none were held through the Custodian.

The Company is not aware of any sub-custodian used by the Custodian in the provision of custodial services of the U.S. Company's cryptocurrency assets. While the Company cannot ensure that this will always be the case because the Custodian retains the contractual ability to use a sub-custodian, any such sub-custodian would be required to be appropriately licensed and regulated in the U.S. as a digital asset custodian. The Custodian is not a related party of the Company. The Company is not aware of anything with regards to the Custodian's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The assets for which the Custodian provides custodial services to the U.S. Company do not change title and remain as assets on the Company's balance sheet, including in the event that the Custodian were to go bankrupt or become insolvent.

See also "*RISK FACTORS - General Risk Factors*".

Currently, the strategy of the Company is to periodically sell bitcoin only as needed to cover operating expenses.

### **2023 Debt Settlement**

On February 22, 2023, the Company approved the settlement of a portion of the outstanding principal amount (the "**Settlement Amount**") of debentures (the "**Debentures**") issued pursuant to the Upsized October 2021 Debenture Financing (as that term is defined in the 2022 AIF). The Settlement Amount was convertible into that number of Common Shares as was equal to the lesser of (i) not more than 9.9% of the total outstanding Common Shares at the time of such settlement, and (ii) the settlement of an aggregate principal amount of Debentures into Common Shares equal to \$2,500,000 (the "**Debt Settlement**"). On April 10, 2023, the Company announced that the Settlement Amount was equal to \$2,500,000 settled for 18,518,518 Common Shares. The remaining principal amount of Debentures outstanding following the Debt Settlement will continue to bear interest at a rate of 3.5% per annum from the date of issue, payable quarterly in arrears on the last day of March, June, September and December of each year until November 11, 2024.

## Select Financial Information – Q4 2022

### *Financial Highlights*

Deposits decreased by \$12.0 million during the 12 months ended December 31, 2022, as the majority of the Bitmain Antminer S19J Pro and XP machines that the Company ordered in 2021 were delivered and deployed.

Accrued receivables increased by \$1.2 million during the 12 months ended December 31, 2022, in connection with the Company's sale of coupons and credits that were awarded by a third-party supplier, the proceeds from which were deposited subsequent to year end.

Prepaid expenses increased by \$0.4 million during the 12 months ended December 31, 2022, due to prepayments made to third-party hosting providers.

### *Liquidity and Capital Resources*

During the 12 months ended December 31, 2022, the Company relied on proceeds from financings to fund its ongoing operations. During the three months ended December 31, 2021, the Company received approximately \$25.0 million in proceeds from the issuance of convertible debentures. Additionally, during the three months ended June 30, 2022, the Company received an additional approximately \$9.3 million in proceeds from two equity private placement financings. Throughout 2022, the Company relied on the combined proceeds from these offerings to make payments toward the purchase of its new Bitmain Antminer S19J Pro and XP machines, fund the development of its first several proprietary mobile datacenters, and fund other ongoing operating expenses.

During the 12 months ended December 31, 2022, the Company generated \$2.5 million of cash from operating activities, which was driven by the expansion of the Company's hash rate at its bitcoin mining operations. The Company used \$13.2 million of cash in investing activities, primarily in connection with the purchases of its new Bitmain Antminer S19J Pro and XP machines. The Company received \$6.2 million of cash from financing activities, primarily from the proceeds of two equity private placements completed during the year. As of December 31, 2022, the Company held \$3.2 million of cash and cash equivalents.

### *Selected Annual Information*

The following table sets out selected annual information:

(C\$, except where indicated)	Year ended December 31,		
	2022	2021	2020
Revenues	\$8,809,104	\$7,801,311	\$1,026,329
Gross profit	(5,216,378)	1,831,982	(263,402)
Gross margin (%) <sup>(1)</sup>	(59%)	23%	(26%)
Operating (loss) income	(23,137,696)	1,564,588	(1,143,622)
Operating margin (%) <sup>(2)</sup>	(263%)	20%	(111%)
Net comprehensive (loss) income	(45,015,815)	1,884,044	5,195,086
Basic (loss) earnings per share	(0.43)	0.01	0.02
Diluted (loss) earnings per share	(0.34)	0.01	0.02
Total assets	25,763,750	58,367,737	16,980,567
Current financial liabilities	–	703,871	–
Non-current financial liabilities	18,196,163	18,699,333	–

#### Notes:

- (1) Gross margin is a non-IFRS financial measure which is computed by dividing gross profit by revenues.
- (2) Operating margin is a non-IFRS financial measure which is computed by dividing operating (loss) income by revenues.

The Company recorded revenues of \$8.8 million in 2022, compared to \$7.8 million in 2021, an increase of \$1.0 million. The increase was primarily due to the Company's expansion of its bitcoin mining hash rate to 203 PH/s at year-end 2022 compared to 177 PH/s at year-end 2021. The increase in the Company's hash rate was partially offset by an increase in network difficulty and a lower average price of bitcoin. The average price of bitcoin during 2022 was US\$28,192, compared to US\$47,439 during 2021, a decrease of 41%.

The Company recorded gross profit of (\$5.2) million in 2022, compared to \$1.8 million in 2021, a decrease of \$7.0 million. The decrease was attributable in part to higher operating costs of \$6.4 million in 2022, compared to \$3.7

million in 2021. Additionally, depreciation expense increased considerably to \$7.6 million in 2022, compared to \$2.3 million in 2021. The increase in depreciation expense resulted from significant deployments of new bitcoin mining equipment throughout the year.

The Company recorded an operating loss of \$23.1 million in 2022, compared to an operating profit of \$1.6 million in 2021, a decrease of \$24.7 million. The decrease was due to a combination of factors, including higher operating costs of \$6.4 million during 2022, compared to \$3.7 million in 2021, which were associated with the expansion of the Company's hash rate through the purchase and deployment of new bitcoin mining machines, resulting in significantly greater power consumption in 2022; a loss on sale of bitcoin of \$5.0 million in 2022, compared to a \$2.7 million gain in 2021, due to a lower average price of bitcoin during 2022; higher interest expense of \$3.7 million during 2022, compared to \$0.1 million in 2021, associated with the \$25.0 million of convertible debentures issued by the Company in November 2021; and higher salaries and share-based compensation expense of \$1.3 million and \$5.8 million, respectively, in 2022, compared to \$0.1 million and \$1.0 million, respectively, in 2021, which increased due to the addition of new Company management and expansion of the executive team in 2022.

The Company recorded a net comprehensive loss of \$45.0 million in 2022 compared to net comprehensive income of 1.9 million in 2021, a decrease of \$46.9 million. The Company realized a \$3.9 million foreign exchange gain due to the strengthening of the U.S. dollar versus the Canadian dollar during 2022, compared to a \$0.4 million foreign exchange gain in 2021. This foreign exchange gain in 2022 was more than offset by a \$1.1 million loss on the sale of equipment associated with the Company's sale of 400 Bitmain Antminer S19 XP machines and a \$26.7 million write-down of mining equipment associated with a decline in the fair-market value of the Company's bitcoin mining machines during the year.

The Company had total assets of \$25.8 million at year-end 2022 compared to \$58.4 million at year-end 2021, a decrease of \$32.6 million. The decrease was primarily due to a \$26.7 million write-down of mining equipment associated with a decline in the fair-market value of the Company's bitcoin mining machines during 2022.

The Company had non-current financial liabilities of \$18.2 million at year-end 2022 compared to \$18.7 million at year-end 2021, a decrease of \$0.5 million. The decrease was primarily due to the repayment of outstanding principal on the Company's convertible debentures during 2022.

### *Discussion of Operations*

The Company mined 246.85 bitcoin in the 12 months ended December 31, 2022, an increase of 126.61 bitcoin from the 12 months ended December 31, 2021. The increase in production was due to the expansion of the Company's hash rate to 203 PH/s as of December 31, 2022, compared to 177 PH/s as of December 31, 2021, partially offset by an increase in network difficulty.

Revenue for the 12 months ended December 31, 2022, was \$8.8 million, an increase of \$1.0 million from revenue for the 12 months ended December 31, 2021. The increase in revenue was due to the expansion of the Company's hash rate to 203 PH/s as of December 31, 2022, compared to 177 PH/s as of December 31, 2021. This was partially offset by a lower average price of bitcoin of US\$28,192 during the 12 months ended December 31, 2022, compared to US\$47,439 during the 12 months ended December 31, 2021.

Operating costs for the 12 months ended December 31, 2022, were \$6.4 million compared to \$3.7 million for the 12 months ended December 31, 2021, an increase of \$2.7 million. The increase was largely due to the expansion of the Company's hash rate through the purchase and deployment of new bitcoin mining machines, which resulted in significantly greater power consumption during the 12 months ended December 31, 2022.

During the 12 months ended December 31, 2022, the Company generated \$2.5 million of cash from operating activities, which was driven by the expansion of the Company's hash rate at its bitcoin mining operations. The Company used \$13.2 million of cash in investing activities, primarily in connection with the purchases of its new Bitmain Antminer S19J Pro and XP machines. The Company received \$6.2 million of cash from financing activities, primarily from the proceeds of two equity private placements completed during the year. As of December 31, 2022, the Company held \$3.2 million of cash and cash equivalents.

### *Fourth Quarter*

During the three months ended December 31, 2022, Bitcoin mining conditions continued to weaken. As of December 31, 2022, the price of Bitcoin was US\$16,524, approximately 18% lower than its price as of September 30, 2022 (US\$19,435). Additionally, network hash rate continued to increase. As of December 31, 2022, network hash rate totaled 247 EH/s, approximately 8% higher than its level as of September 30, 2022 (228 EH/s).

The Company more than offset the growth in network hash rate by expanding its own Bitcoin mining hash rate by approximately 22%, from 166 PH/s at the start of the period to 203 as of December 31, 2023. The Company deployed the remaining 372 machines from its May batch of Bitmain Antminer S19J Pro machines at a third-party data center in Tennessee, where the Company will pay a fixed rate of US\$70.00 per megawatt hour, plus 5% of gross Bitcoin revenue produced, during an initial term of 12 months.

In response to the weakening outlook for Bitcoin mining, the Company took measures to reduce operating expenses and increase cash flow, cutting payroll by over 60% through a combination of lay-offs and salary reductions, canceling real estate leases, and eliminating significant other general and administrative costs.

Additionally, the Company began optimizing its operations at two sites by “underclocking” certain of its existing machines—reducing power draw to improve machine efficiency, as measured by energy consumed per unit of hash rate produced (joules per terahash, or J/TH). The Company performed these optimizations at its Legacy Washington facility and one of the data centers at which it hosts machines in Tennessee. Following these optimizations, the Company realized average efficiency across these two sites of 23 J/TH, as opposed to 35 J/TH before the optimization, representing an improvement of approximately 36%.

Additionally, the Company prepaid the full outstanding principal balance on its last equipment loan for a total of US\$270,690. The equipment loan carried interest at 15% and was prepaid at par. This equipment loan was collateralized by 180 MicroBT Whatsminer M30S machines, which have been moved to storage to make room for the optimizations at the Legacy Washington facility.

Finally, during December the Company entered into a series of agreements with various parties to sell certain credits and coupons which it had received from third-party vendors for cash. Under these credit and coupon sales, the Company raised US\$683,398 in cash proceeds before year-end.

### **Select Financial Information – Q1 2023**

#### *Financial Highlights*

Deposits decreased by \$1.9 million during the three months ended March 31, 2023, due to \$0.8 million of new deposits made to third-party hosting providers in connection with the deployment of the final batches of the Company’s new machines and a reallocation of \$2.7 million of deposits to property and equipment as the Company received machines on which it previously made deposits.

Accrued receivables decreased by \$1.2 million during the three months ended March 31, 2023, due to the Company’s sale of coupons and credits that were awarded by a third-party supplier.

Accounts payable and accrued liabilities decreased by \$0.2 million during the three months ended March 31, 2023, due to a timing difference between when the accounts payables and accrued liabilities are paid.

The Company realized proceeds of \$1.6 million on the sale of bitcoin during the three months ended March 31, 2023, which it used to meet its regular ongoing cash requirements during the period. The Company began selling bitcoin regularly during the three months ended June 30, 2022, and therefore did not realize any proceeds from the sale of bitcoin during the three months ended March 31, 2022.

#### *Liquidity and Capital Resources*

During the three months ended March 31, 2023, the Company continued to fund its ongoing operations through the sale of materially all of the bitcoin produced by its mining operations. During the period, the Company realized \$1.6 million in proceeds from the sale of bitcoin and used \$1.3 million of cash in operating activities. As of March 31, 2023, the Company held \$3.5 million of cash and cash equivalents.

In subsequent months, the Company has begun retaining a portion of its mined bitcoin on balance sheet and intends to continue building its bitcoin treasury. Going forward, the Company expects to liquidate bitcoin in sufficient quantities to at least cover its cash obligations in any given period.

Management expects to incur ongoing capital expenditures in the next 12 months related to the purchase of new bitcoin mining machines and the acquisition or development of its own data centers. Management expects these initiatives will require resources beyond the Company's existing financial resources as of the date hereof. Management believes that the Company's existing financial resources, combined with projected cash and bitcoin inflows mining activities, will be sufficient to enable the Company to meet its operating and capital requirements for at least 12 months from the date hereof.

### *Discussion of Operations*

The Company mined 64.50 bitcoin in the three months ended March 31, 2023, an increase of 6.66 bitcoin from the three months ended March 31, 2022. The increase in production was due to the expansion of the Company's hash rate to 343 PH/s as of March 31, 2023, compared to 207 PH/s as of March 31, 2022, partially offset by an increase in network difficulty.

Revenue for the three months ended March 31, 2023, was \$2.0 million, a decrease of \$1.1 million from revenue for the three months ended March 31, 2022. The decline in revenue was due primarily to a lower average price of bitcoin of US\$22,875 during the three months ended March 31, 2023, compared to US\$41,299 during the three months ended March 31, 2022.

Operating costs for the three months ended March 31, 2023, were \$1.4 million compared to \$1.8 million for the three months ended March 31, 2022, a decrease of \$0.4 million. The decrease was largely due to lower average per-kilowatt hour hosting/power rates across the Company's fleet of machines during the three months ended March 31, 2023.

During the three months ended March 31, 2023, the Company continued to fund its ongoing operations through the sale of materially all of the bitcoin produced by its mining operations. During the period, the Company realized \$1.6 million in proceeds from the sale of bitcoin and used \$1.3 million of cash in operating activities. As of March 31, 2023, the Company held \$3.5 million of cash and cash equivalents.

### **Non-IFRS Measures**

The financial statements incorporated by reference herein were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The sections "*Select Financial Information – Q4 2022*" and "*Select Financial Information – Q1 2023*" above present certain non-IFRS financial measures to assist readers in understanding the Company's performance. These non-IFRS measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management uses these non-IFRS measures to supplement the analysis and evaluation of operating performance.

Throughout the sections above, the following terms are used, which are not found in the IFRS and do not have a standardized meaning under IFRS or the generally accepted accounting principles adopted by the Accounting Standards Board:

"**Gross Margin**" represents gross profits divided by all revenues.

"**Operating Margin**" is a non-IFRS financial measure which is computed by dividing operating (loss) income by revenues.

### **PROMOTERS**

The following table sets forth the Promoters of the Company:

Name	Class of Securities Owned	Quantity of Securities Owned	% of Class <sup>(3)</sup>
Antonin Scalia <sup>(1)</sup>	Common Shares	2,568,119	1.9%
Thomas Armstrong <sup>(2)</sup>	Common Shares	1,950,308	1.4%
Total		4,518,427	3.3%

## Notes:

- (1) 93,372 of Mr. Scalia's Common Shares are held through a spousal individual retirement account. In addition to the Common Shares noted in the table above, Mr. Scalia holds 325,000 options to purchase Common Shares at an average price of \$0.52 per Common Share and 1,459,134 RSUs (as defined below).
- (2) In addition to the Common Shares noted in the table above, Mr. Armstrong holds 325,000 options to purchase Common Shares at an average price of \$0.52 per Common Share and 1,459,134 RSUs.
- (3) A total of 137,522,563 Common Shares are issued and outstanding.

No Promoter was within the 10 years before the date of this prospectus a director, CEO, or CFO of a person or company that was subject to an order (as that term is defined in section 10.2(1.1) of Form 51-102F2 – *Annual Information Form*) while or after that Promoter was acting in that capacity.

## RISK FACTORS

Investing in the Company's securities is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially and adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company, or its business or financial results, each of which could cause purchasers of the Company's securities to lose part or all of their investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. You should also refer to the other information set forth or incorporated by reference in this prospectus or any applicable prospectus supplement, including the Company's 2022 AIF and the 2022 MD&A and annual financial statements, and the related notes. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this prospectus.

Discussions of certain risks affecting the Company in connection with the Company's business are provided in our annual and interim disclosure documents filed with the various securities regulatory authorities which are incorporated by reference in this prospectus.

### General Risk Factors

#### *The need for the Company to manage its planned growth and expansion*

In order to manage its current operations and any future growth effectively, the Company will need to continue to implement and improve its operational, internal controls, financial, and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Company's operations.

#### *Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure*

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. In the past several years, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e.,

software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

#### ***Risks of Non-Availability of Insurance***

Where considered practical to do so, the Company will maintain insurance against risks in the operation of its business and in amounts that it believes to be reasonable. Such insurance, however, will contain exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The novelty of the industry may impair the ability of the Company to acquire adequate insurance coverage for risks associated with its operations. The occurrence of an event that is not covered, in full or in part, by insurance may cause substantial economic damage to the Company. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk.

#### ***Loss of Key Employees***

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company. The Company will not have and is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

#### ***Credit risk***

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

#### ***Currency Exchange Risk***

The Company is exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations. In particular, exchange rate fluctuations may affect the costs that the Company incurs in its operations. Cryptocurrencies are generally sold in U.S. dollars and the Company's costs are incurred principally in Canadian dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar could increase the cost of Mining in U.S. dollar terms.

### **Risks Related to the Offering of Securities**

#### ***Discretion Over Use of Proceeds***

The Company intends to allocate the net proceeds it will receive from an offering under this prospectus as described under "Use of Proceeds" in this prospectus and the applicable prospectus supplement; however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in "Use of Proceeds" in this prospectus and the applicable prospectus supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

### ***Absence of a Public Market for Certain of the Securities***

There is no public market for the debt securities, warrants, subscription receipts, securities purchase contracts or units and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of the debt securities, warrants, subscription receipts, securities purchase contracts or units on any securities exchanges. If the debt securities, warrants, subscription receipts, securities purchase contracts or units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for the debt securities, warrants, subscription receipts, share purchase contracts or units, or that a trading market for these securities will develop at all.

### ***Unsecured Debt Securities***

The Company carries on its business through corporate subsidiaries, and the majority of its assets are held in corporate subsidiaries. The Company's results of operations and ability to service indebtedness, including the debt securities, are dependent upon the results of operations of these subsidiaries and the payment of funds by these subsidiaries to the Company in the form of loans, dividends or otherwise. Unless otherwise indicated in the applicable prospectus supplement, the Company's subsidiaries will not have an obligation to pay amounts due pursuant to any debt securities or to make any funds available for payment on debt securities, whether by dividends, interest, loans, advances or other payments. In addition, the payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable prospectus supplement, the indentures governing the Company's debt securities are not expected to limit the Company's ability or the ability of its subsidiaries to incur indebtedness. Unless otherwise indicated in the applicable prospectus supplement, such indebtedness of the Company's subsidiaries would be structurally senior to the debt securities. As such, in the event of the liquidation of any subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any debt securities. See "*DESCRIPTION OF DEBT SECURITIES*".

### ***Effect of Changes in Interest Rates on Debt Securities***

Prevailing interest rates will affect the market price or value of any debt securities. The market price or value of any debt securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

### ***Effect of Fluctuations in Foreign Currency Markets on Debt Securities***

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

### ***Trading Price of Common Shares and Volatility***

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects for such companies. There can be no assurance that continual fluctuations in price will not occur, and the trading price of the Company's shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

### ***Forward Looking Statements***

Some statements contained in this prospectus are not historical facts, but rather are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Without limiting the generality of the foregoing, such risks and uncertainties include interpretation of results, accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in production, delays in development activities, political risks, the inherent uncertainty or production fluctuations and failure to obtain adequate financing on a timely basis.

### **USE OF PROCEEDS**

Unless we otherwise indicate in a prospectus supplement relating to a particular offering, we currently intend to use the net proceeds from the sale of our securities for general corporate purposes, including funding ongoing operations and/or working capital requirements, repaying indebtedness outstanding from time to time, completing potential acquisitions to expand mining capacity and for other corporate purposes as set forth in the prospectus supplement relating to the offering of the securities.

More detailed information regarding the use of proceeds from the sale of securities, including any determinable milestones at the applicable time, will be described in a prospectus supplement and will include reasonable detail of the principal purposes of the proposed use of net proceeds in accordance with the requirements of Section 4.2 of Form 44-101F1 – *Short Form Prospectus* (“**Form 44-101F1**”), as well as the business objectives expected to be accomplished using the net proceeds of such offering and each significant event that must occur to accomplish such business objective, including the cost thereof, in accordance with Section 4.7 of Form 44-101F1. We may also, from time to time, issue securities otherwise than pursuant to a prospectus supplement to this prospectus. All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds from the sale of such securities, unless otherwise stated in the applicable prospectus supplement.

During the 2022 financial year, the Company had positive annual cash flow from operations. However, the Company expects cash flow from operations to be potentially unstable due to the volatile nature of the cryptocurrency markets. In the event the Company experiences negative operating cash flow, the Company, among other actions, may reduce expenses or sell assets, particularly bitcoin, to generate sufficient cash to meet its obligations as they come due.

As at May 31, 2023, the Company had on hand cash of \$3.5 million and 19.0 bitcoin with an approximate value of \$670,000 for a total of \$4.2 million of cash and bitcoin. The Company’s planned capital expenditures over the next 18 months are anticipated to be approximately \$10.0 million to \$15.0 million. The Company expects to use a majority of the proceeds raised in offerings under this prospectus to expand its diversified bitcoin mining operations across the United States. The Company estimates it will continue generating positive cash flow from its existing bitcoin mining operations for the foreseeable future, and plans to continue to retain some or all of the bitcoin it mines throughout 2023 and 2024. See “*CONSOLIDATED CAPITALIZATION*”.

The Company anticipates that its existing financial resources, excluding any proceeds raised under this prospectus, will be sufficient to continue its existing bitcoin mining operations in Washington, Tennessee and Kentucky for the foreseeable future. In order to achieve these business objectives, the Company may liquidate or borrow against the bitcoin that have been accumulated as of the date hereof as well as bitcoin generated from ongoing operations, which may or may not be possible on commercially attractive terms.

### **Business Objective and Milestones**

The Company’s primary objective is to increase shareholder value by expanding its diversified bitcoin mining operations across the United States while retaining a portion of mined bitcoin on the Company’s balance sheet indefinitely. The Company’s ability to expand its operations will depend, in part, on its ability to raise funds to finance the expansion.

The following are the milestones and their associated estimated costs set out by the Company as of the date hereof. These estimated costs and timelines may change based on, among other things, the prevailing price of bitcoin, network difficulty, supply of bitcoin mining equipment, supply of electrical and other supporting infrastructure equipment,

construction materials, currency exchange rates, and the Company's ability to fund the underlying initiatives:

1. Expand the Company's portfolio of bitcoin mining hash rate from approximately 382 PH/s to 1,000 PH/s in the next 12 months.

The Company plans to complete this goal by procuring additional bitcoin mining machines, either directly from the machine manufacturers or from reputable brokers on the secondary market, and by deploying idle machines the Company currently holds in storage. Procuring an additional 600 PH/s of hash rate will require the Company to purchase approximately 6,000 Bitmain Antminer S19J Pro (or similar) machines capable of drawing approximately 18 MW of power. Based on prevailing market prices, the Company expects the cost to purchase approximately 6,000 such machines to total approximately \$6.0 million. Due to the availability of such machines at present, the Company expects it could place an order for the requisite machines within one month of receiving the required capital. The Company will prioritize purchasing machines which have already been imported into the United States and are available for delivery within one month of executing a purchase order.

2. Deploy a portion of the new machines the Company intends to purchase at a grid-connected data center that is owned and operated by the Company.

At present, the Company's fleet of bitcoin mining machines is spread across several sites which are owned and operated by third parties. The Company intends to acquire an existing grid-connected data center at which to install a portion of its new machines, and which would be owned and operated directly by the Company rather than a third party. The Company is currently in the preliminary process of identifying and evaluating potential sites. The Company estimates it can acquire a suitable data center, including all land, buildings and power infrastructure on site, for a total of approximately \$5.0 million. The Company intends to pursue the acquisition of such a data center within three to six months of receiving the required capital.

3. Deploy the remaining new machines the Company intends to purchase under hosting agreements at data centers owned and operated by third parties.

True to its diversified approach, the Company intends to deploy any remaining new machines at one or more data centers in the United States which are owned and operated by third parties under hosting agreements with competitive all-in rates. This will allow the Company to deploy a portion of its new hash rate in a capital efficient manner and minimize any idiosyncratic risks associated with concentrating hash rate in a single location, electricity market or jurisdiction.

Due to the Company's deep existing relationships with various hosting providers, the Company is confident in its ability to source the required hosting capacity and execute the necessary agreements within one month of purchasing the new machines.

4. Maintain the Company's treasury management policy of retaining a portion of bitcoin mined on the Company's balance sheet indefinitely.

As of the date hereof, the Company's bitcoin mining operations produce an aggregate 382 PH/s of hash rate. The Company believes that expanding its portfolio of hash rate by approximately 600 PH/s through the acquisition and deployment of latest-generation machines at cost-competitive sites would increase the net quantity of bitcoin produced by the Company's mining operations, thereby allowing the Company to organically expand its balance sheet bitcoin holdings.

### **CONSOLIDATED CAPITALIZATION**

There have been no material changes to the Company's consolidated capitalization since the date of the Q2 Interim Financial Statements which have not been disclosed in this prospectus or the documents incorporated by reference. The applicable prospectus supplement will describe any material changes, and the effect of such material changes on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to each prospectus supplement.

### **PRIOR SALES**

Information in respect of the Company's Common Shares that we issued within the previous twelve-month period,

including Common Shares that have been issued upon the exercise of stock options of the Company (“**Options**”) will be provided as required in a prospectus supplement with respect to the issuance of securities pursuant to such prospectus supplement.

### **TRADING PRICE AND VOLUME**

The Common Shares are listed and posted for trading on the TSXV under the symbol “**CBIT**” and on the OTCQB under the symbol “**CBTTF**”. Trading price and volume information for the Company’s securities will be provided as required in each prospectus supplement to this prospectus.

### **EARNINGS COVERAGE**

If the Company offers debt securities having a term to maturity in excess of one year under this prospectus and any applicable prospectus supplement, the applicable prospectus supplement will include earnings coverage ratios giving effect to the issuance of such securities.

### **DESCRIPTION OF SHARE CAPITAL**

#### **Overview**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date hereof, there are 137,522,563 Common Shares issued and outstanding.

As of the date of this prospectus, there were: (i) 5,719,205 Common Shares issuable upon the exercise of outstanding stock options of the Company (“**Options**”) at a weighted average exercise price of \$0.48; (ii) 51,144,882 Common Shares reserved for issuance on exercise of 51,144,882 issued and outstanding Common Share purchase warrants of the Company with a weighted average exercise price of \$0.94, and; (iii) 7,284,692 RSUs, for a total of 201,671,342 Common Shares on a fully-diluted basis.

#### **Common Shares**

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote).

Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or upon any distribution of the assets of the Company among shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of the Common Shares are entitled to share equally.

The holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares.

Any alteration of the rights attached to our Common Shares must be approved by at least two-thirds of the Common Shares voted at a meeting of our shareholders. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Company’s articles and in the *Business Corporations Act* (British Columbia).

### **DESCRIPTION OF DEBT SECURITIES**

In this section describing the debt securities, the terms “Company” and “Cathedral” refer only to Cathedral Bitcoin Inc. without any of its subsidiaries.

The following description of the terms of debt securities sets forth certain general terms and provisions of debt securities in respect of which a prospectus supplement may be filed. The particular terms and provisions of debt securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such debt securities. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the

following information.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of debt securities pursuant to this prospectus. Convertible debt securities offered under this prospectus may only be convertible into other securities of the Company.

The Company will deliver, along with this prospectus, an undertaking to the securities regulatory authority in each province and territory of Canada that the Company will, if any debt securities are distributed under this prospectus and for so long as such debt securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any prospectus supplement offering guaranteed debt securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of NI 41-101.

The debt securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the debt securities and is not intended to be complete. The particular terms and provisions of the debt securities and a description of how the general terms and provisions described below may apply to the debt securities will be included in the applicable prospectus supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedarplus.com](http://www.sedarplus.com).

## **General**

The applicable Trust Indenture will not limit the aggregate principal amount of debt securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue debt securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the debt securities of any series and, unless otherwise provided in the applicable prospectus supplement, a series of debt securities may be reopened for issuance of additional debt securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the debt securities previously issued and to issue that increased principal amount.

Any prospectus supplement for debt securities supplementing this prospectus will contain the specific terms and other information with respect to the debt securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such debt securities;
- the percentage of principal amount at which the debt securities will be issued;
- whether payment on the debt securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the debt securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the debt securities and the portion (if less than the principal amount) of debt securities to be payable upon a declaration of acceleration of maturity;

- whether the debt securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where debt securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the debt securities, and whether and on what terms the Company will have the option to redeem the debt securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the debt securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the debt securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered debt securities;
- the currency or currency units for which debt securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the debt securities will be made by delivery of Common Shares or other property;
- whether payments on the debt securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the debt securities, any payment of any interest on such debt securities or any repayment of the principal owing upon the maturity of such debt securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the debt securities will be issued as global securities (defined below) and, if so, the identity of the depository (defined below) for the global securities;
- whether the debt securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the debt securities prior to maturity and the price or prices of which, and the currency or currency units in which, the debt securities are payable;
- any events of default or covenants applicable to the debt securities;
- any terms under which debt securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of debt securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the debt securities for any other securities of the Company;
- if applicable, any transfer restrictions in respect of Disqualified Holders or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the debt securities;
- the Trustee under the Trust Indenture pursuant to which the debt securities are to be issued; whether the Company will undertake to list the debt securities of the series on any securities exchange or automated interdealer quotation system; and

- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the debt securities being offered which do not apply generally to other debt securities, or any covenants or events of default generally applicable to the debt securities which do not apply to a particular series of the debt securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to the debt securities which are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the debt securities described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such debt securities.

Unless stated otherwise in the applicable prospectus supplement, no holder of debt securities will have the right to require the Company to repurchase the debt securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue debt securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the debt securities for a foreign currency or currency unit, and payments on the debt securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, the Company may issue debt securities with terms different from those of debt securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of debt securities and issue additional debt securities of such series.

Original purchasers of debt securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such debt security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the debt security and the amount paid upon conversion or exchange, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable prospectus supplement, the debt securities will be direct unsecured obligations of the Company. The debt securities will be senior or subordinated indebtedness of the Company as described in the applicable prospectus supplement. If the debt securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the debt securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. The Company reserves the right to specify in a prospectus supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The Board may establish the extent and manner, if any, to which payment on or in respect of a series of debt securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any security.

## Registration of Debt Securities

### *Debt Securities in Book Entry Form*

Unless otherwise indicated in an applicable prospectus supplement, debt securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depository arrangement with respect to any portion of a series of debt securities to be represented by a Global Security will, to the extent not described herein, be described in the prospectus supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the debt securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (“**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the debt securities or by the Company if such debt securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the debt securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of debt securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the debt securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the debt securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such debt securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a debt security or otherwise take action with respect to such holder’s interest in a debt security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for debt securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to discharge properly its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the debt securities then outstanding advise the Depository in writing that the

continuation of a book-entry system through the Depositary is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry debt securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depositary may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying prospectus supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depositary relating to beneficial ownership interests in the debt securities held by the Depositary or the book-entry accounts maintained by the Depositary, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depositary and contained in this prospectus or in any prospectus supplement or Trust Indenture with respect to the rules and regulations of the Depositary or at the direction of Participants.

Unless otherwise stated in the applicable prospectus supplement, CDS Clearing and Depositary Services Inc. or its successor will act as Depositary for any debt securities represented by a Global Security.

#### *Debt Securities in Certificated Form*

A series of the debt securities may be issued in definitive form, solely as registered securities, solely as unregistered securities or as both registered securities and unregistered securities. Unless otherwise indicated in the applicable prospectus supplement, unregistered securities will have interest coupons attached.

In the event that the debt securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable prospectus supplement, payment of principal, premium, if any, and interest, if any, on the debt securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable prospectus supplement, payment of interest, if any, will be made to the persons in whose name the debt securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of debt securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable prospectus supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable prospectus supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable prospectus supplement may indicate the places to register a transfer of the debt securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the debt securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

## **DESCRIPTION OF WARRANTS**

### **General**

This section describes the general terms that will apply to any warrants for the purchase of Common Shares, or equity warrants, or for the purchase of debt securities, or debt warrants.

We may issue warrants independently or together with other securities, and warrants sold with other securities may

be attached to or separate from the other securities. Warrants will be issued under one or more warrant agency agreements to be entered into by us and one or more banks or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute warrants that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless such prospectus supplement containing the specific terms of the warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the warrants will be distributed.

This summary of some of the provisions of the warrants is not complete. The statements made in this prospectus relating to any warrant agreement and warrants to be issued under this prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. You should refer to the warrant indenture or warrant agency agreement relating to the specific warrants being offered for the complete terms of the warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering or warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

The applicable prospectus supplement relating to any warrants that we offer will describe the particular terms of those warrants and include specific terms relating to the offering.

Original purchasers of warrants (if offered separately) will have a contractual right of rescission against us in respect of the exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights, or consult with a legal advisor.

### **Equity Warrants**

The particular terms of each issue of equity warrants will be described in the applicable prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of equity warrants;
- the price at which the equity warrants will be offered;
- the currency or currencies in which the equity warrants will be offered;
- the date on which the right to exercise the equity warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity warrant;

- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity warrants;
- whether we will issue fractional shares;
- whether we have applied to list the equity warrants or the underlying shares on a stock exchange;
- the designation and terms of any securities with which the equity warrants will be offered, if any, and the number of the equity warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity warrants and the related securities will be transferable separately;
- whether the equity warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity warrants; and
- any other material terms or conditions of the equity warrants.

### **Debt Warrants**

The particular terms of each issue of debt warrants will be described in the related prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of debt warrants;
- the price at which the debt warrants will be offered;
- the currency or currencies in which the debt warrants will be offered;
- the designation and terms of any securities with which the debt warrants are being offered, if any, and the number of the debt warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt warrants and the related securities will be transferable separately;
- the principal amount and designation of debt securities that may be purchased upon exercise of each debt warrant and the price at which and currency or currencies in which that principal amount of debt securities may be purchased upon exercise of each debt warrant;
- the date on which the right to exercise the debt warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt warrants that may be exercised at any one time;
- whether the debt warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt warrants;
- whether we have applied to list the debt warrants or the underlying debt securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt warrants; and
- any other material terms or conditions of the debt warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities subject to the warrants.

### **DESCRIPTION OF UNITS**

Cathedra may issue units, which may consist of one or more of Common Shares, warrants or any other security

specified in the relevant prospectus supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the securities included in the unit. In addition, the relevant prospectus supplement relating to an offering of units will describe all material terms of any units offered, including, as applicable:

- the designation and aggregate number of units being offered;
- the price at which the units will be offered;
- the designation, number and terms of the securities comprising the units and any agreement governing the units;
- the date or dates, if any, on or after which the securities comprising the units will be transferable separately;
- whether we will apply to list the units or any of the individual securities comprising the units on any exchange;
- material Canadian income tax consequences of owning the units, including, how the purchase price paid for the units will be allocated among the securities comprising the units; and
- any other material terms or conditions of the units.

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

We may issue subscription receipts separately or in combination with one or more other securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Common Shares, warrants, debt securities or any combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable prospectus supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant prospectus supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any subscription receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the subscription receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of subscription receipts that may be issued hereunder and is not intended to be complete. The statements made in this prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific subscription receipts being offered for the complete terms of the subscription receipts. We will file a copy of any Subscription Receipt Agreement relating to an offering of subscription receipts with the applicable securities regulatory authorities in Canada after it has been entered into it.

#### **General**

The prospectus supplement and the Subscription Receipt Agreement for any subscription receipts that we may offer will describe the specific terms of the subscription receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of subscription receipts being offered;
- the price at which the subscription receipts will be offered;
- the designation, number and terms of the Common Shares, warrants and/or debt securities to be received by the holders of subscription receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of subscription receipts to receive, for no additional consideration, the Common Shares, warrants and/or debt securities;

- the procedures for the issuance and delivery of the Common Shares, warrants and/or debt securities to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the Common Shares, warrants and/or debt securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, warrants and/or debt securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price of their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event that this prospectus, the prospectus supplement under which such subscription receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of Cathedra to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether we will issue the subscription receipts as Global Securities and, if so, the identity of the Depositary for the Global Securities;
- whether we will issue the subscription receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the subscription receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, warrants or other Cathedra securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company’s assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether we will apply to list the subscription receipts on any exchange;
- material Canadian federal income tax consequences of owning the subscription receipts; and
- any other material terms or conditions of the subscription receipts.

Original purchasers of subscription receipts will have a contractual right of rescission against us in respect of the conversion of the subscription receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the subscription receipts upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the subscription receipts under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the subscription receipts under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions**

The holders of subscription receipts will not be, and will not have the rights of, Shareholders. Holders of subscription receipts are entitled only to receive Common Shares, warrants and/or debt securities on exchange of their subscription receipts, plus any cash payments, if any, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and their pro rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement, all as provided in the Subscription Receipt Agreement.

### **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the subscription receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the subscription receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of subscription receipts will receive a refund of all or a portion of the subscription price for their subscription receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, warrants and or debt securities may be held in escrow by the Escrow Agent and will be released to the holders of subscription receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

### **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the subscription receipts issued thereunder may be made by way of a resolution of holders of subscription receipts at a meeting of such holders or consent in writing from such holders. The number of holders of subscription receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the subscription receipts without the consent of the holders of the subscription receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding subscription receipts or as otherwise specified in the Subscription Receipt Agreement.

## **DESCRIPTION OF SHARE PURCHASE CONTRACTS**

We may issue share purchase contracts, representing contracts obligating holders to purchase from or sell to us a specified number of Common Shares, as applicable, at a future date or dates.

The price per Common Share and the number of Common Shares, as applicable, may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula or method set forth in the share purchase contracts. We may issue share purchase contracts in accordance with applicable laws and in such amounts and in as many distinct series as we may determine.

The share purchase contracts may be issued separately or as part of units consisting of a share purchase contract and beneficial interests in debt securities, or debt obligations of third parties, including U.S. treasury securities or obligations of the subsidiaries, securing the holders' obligations to purchase the Common Shares under the share purchase contracts, which we refer to in this prospectus as share purchase units. The share purchase contracts may require the Company to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded and may be paid on a current or on a deferred basis. The share purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

Holders of share purchase contracts are not shareholders of Cathedra. The particular terms and provisions of share purchase contracts offered by any prospectus supplement, and the extent to which the general terms and provisions

described below may apply to them, will be described in the prospectus supplement filed in respect of such share purchase contracts. This description will include, where applicable: (i) whether the share purchase contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares, as applicable, and the nature and amount of those securities, or the method of determining those amounts; (ii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied; (iii) whether the share purchase contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares; (iv) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts; (v) the date or dates on which the sale or purchase must be made, if any; (vi) whether the share purchase contracts will be issued in fully registered or global form; (vii) the material income tax consequences of owning, holding and disposing of the share purchase contracts; and (viii) any other material terms and conditions of the share purchase contracts including, without limitation, transferability and adjustment terms and whether the share purchase contracts will be listed on a stock exchange.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces and territories of Canada, that it will not distribute share purchase contracts that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless such prospectus supplement containing the specific terms of the share purchase contracts to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where the share purchase contracts will be distributed.

Original purchasers of share purchase contracts will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such share purchase contract. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

## **PLAN OF DISTRIBUTION**

### **General**

The Company may sell the securities of the Company offered by this prospectus (collectively, the “**Securities**”), separately or together, to or through underwriters, dealers or agents purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each prospectus supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102), and the proceeds to the Company from the sale of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a reasonable effort to sell all of the Securities at the initial offering price fixed in the applicable prospectus supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such prospectus supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made

directly on the TSXV or other existing trading markets for the Common Shares. Sales of Common Shares under an “at-the-market distribution”, if any, will be made pursuant to an accompanying prospectus supplement. The volume and timing of any “at-the-market distributions” will be determined at the Company’s sole discretion.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in the relevant prospectus supplement, in connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents who participate in the distribution of Securities may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. No underwriter involved in an “at-the-market distribution”, no affiliate of such an underwriter and no person or company acting jointly or in concert with such an underwriter may over-allot Common Shares in connection with the distribution or may effect any other transactions that are intended stabilize or maintain the market price of the Common Shares in connection with an “at-the-market distribution” including selling an aggregate number or principal amount of securities that would result in the underwriter creating an over-allocation position in the securities.

Unless stated to the contrary in any prospectus supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered within the United States or to U.S. persons within the meaning of Regulation S under the U.S. Securities Act, except in certain transactions that are registered or exempt from the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of an offering of Securities, an offer or sale of the Securities within the United States or to U.S. persons by any dealer, whether or not participating in the offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each prospectus supplement with respect to the Company’s securities being offered will set forth the terms of the offering, including:

- the person offering the securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, our securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters’, dealers’ or agents’ compensation.

### **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable prospectus supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of the Company’s securities offered thereunder. Investors should read the tax discussion in any prospectus supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

### **LEGAL MATTERS**

Certain legal matters related to the Company’s securities offered by this prospectus will be passed upon on the Company’s behalf by Peterson McVicar LLP, with respect to matters of Canadian law. In addition, certain legal matters in connection with any offering of securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents.

### AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Kingston Ross Pasnak LLP (“KRP”) at its offices located at 2797 John St., Markham, Ontario L3R 2Y8. KRP was appointed as auditor of the Company on June 30, 2021. KRP audited the financial statements of the Company for the twelve months ended December 31, 2022 and December 31, 2021, and has prepared the Independent Auditors Report in respect of such financial statements, incorporated by reference herein.

The transfer agent and registrar of the Company is Computershare Investor Services Inc., located at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

### INTERESTS OF EXPERTS

#### Names of Experts

The consolidated financial statements of the Company for the year ended December 31, 2022 have been audited by KRP.

#### Interests of Experts

As at December 31, 2022, KRP have advised the Company that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

### AGENTS FOR SERVICE OF PROCESS

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Certain directors and officers of the Company reside outside of Canada. Thomas Armstrong, Antonin Scalia, David Jaques, Marcus Dent, Rete Browning and Isaac Fithian have appointed the following agents for service of process:

Name of Person	Name and Address of Agent
Thomas Armstrong	Peterson McVicar LLP 18 King St. E, Suite 902 Toronto, ON M5C 1C4
Antonin Scalia	
David Jaques	
Marcus Dent	
Rete Browning	
Isaac Fithian	

### EXEMPTIONS UNDER SECURITIES LAWS

Pursuant to a decision of the Autorité des Marchés Financiers, the securities regulatory authority in the Province of Québec, dated June 22, 2023, the Company was granted relief from the requirement that this prospectus and all documents incorporated by reference herein, as well as any prospectus supplement that relates to any future “at-the-market” distribution, must be in both the French and English languages. The Company is not required to file French versions of this prospectus, the documents incorporated by reference herein or any prospectus supplement relating to an “at-the-market” distribution. This exemption was granted on the condition that this prospectus, together with any prospectus supplement, and any documents incorporated by reference in the prospectus or any prospectus supplement, be translated into French if the Company offers securities to Québec purchasers in connection with an offering other than in relation to an “at-the-market” distribution.

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by Cathedra do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by Cathedra may have against Cathedra or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

In an offering of convertible, exchangeable, or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the prospectus or a prospectus supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

Original purchasers of convertible, exchangeable, or exercisable securities, will have a contractual right of rescission against us in respect of the exercise of such convertible, exchangeable, or exercisable securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the convertible, exchangeable, or exercisable security, as applicable, the total of the amount paid on original purchase of the convertible, exchangeable, or exercisable security, as applicable and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable, or exercisable security under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable, or exercisable security under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

**CERTIFICATE OF THE COMPANY**

Dated: September 6, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, 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 each of the provinces and territories of Canada.

(Signed) "Antonin Scalia"

Antonin Scalia  
Chief Executive Officer

(Signed) "Sean Ty"

Sean Ty  
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "Thomas Armstrong"

Thomas Armstrong  
Director

(Signed) "David Jaques"

David Jaques  
Director

**CERTIFICATE OF THE PROMOTERS**

Dated: September 6, 2023

This short form prospectus, together with the documents incorporated in this prospectus by reference, 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 each of the provinces and territories of Canada.

*(Signed) "Antonin Scalia"*

Antonin Scalia

*(Signed) "Thomas Armstrong"*

Thomas Armstrong