

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

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

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

June 17, 2022

AUKA CAPITAL CORP.
(a Capital Pool Company)

OFFERING: \$750,000
7,500,000 Common Shares
Price: \$0.10 per Common Share

The purpose of this offering is to provide Auka Capital Corp. (the "**Corporation**") with a minimum amount of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**") and, in the case of a Non-Arm's Length Qualifying Transaction (as hereafter defined), must also receive Majority of the Minority Approval (as hereafter defined) in accordance with Exchange Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash as further set out in this prospectus. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as hereafter defined), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "*Business of the Corporation*" and "*Use of Proceeds*".

The Corporation hereby offers through its agent, Canaccord Genuity Corp. (the "**Agent**"), 7,500,000 common shares in the capital of the Corporation ("**Common Shares**") for gross proceeds of \$750,000. This prospectus qualifies the distribution of 7,500,000 Common Shares (the "**Offering**").

	Number of Common Shares	Price to the Public	Agent's Commission⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Offering ⁽³⁾	7,500,000	\$750,000	\$75,000	\$675,000

Notes:

- (1) The Agent and its sub-agents, if any, will receive a cash commission (the "**Agent's Commission**") equal to 10% of the gross proceeds of the Offering, payable at the closing of the Offering. In addition, the Agent and its sub-agents, if any, will be paid a corporate finance fee of \$15,000 plus GST (the "**Corporate Finance Fee**") and will be granted non-transferable warrants (the "**Agent's Warrants**") to purchase such number of Common Shares as is equal to 10% of the aggregate number of Common Shares sold pursuant to the Offering, at a price of \$0.10 per Common Share, for a period

expiring five (5) years from the date of the listing of the Common Shares on the Exchange. This prospectus qualifies the distribution of the Agent's Warrants. See "*Plan of Distribution*". In addition, the Agent will be reimbursed for their reasonable expenses, including legal fees incurred pursuant to this Offering, estimated to be \$12,500, plus applicable taxes and disbursements.

- (2) Before deducting the costs and expenses of this Offering estimated to be approximately \$82,500, which includes legal and audit fees and other expenses of the Corporation and applicable taxes of approximately \$40,000, the Agent's expenses and legal fees (including applicable taxes and disbursements) of approximately \$12,500, the Corporate Finance Fee, and the listing fees payable to the Exchange and the filing fees payable to the Commissions estimated at approximately \$15,000, but does not include the Agent's Commission.
- (3) This Prospectus qualifies the distribution of 7,500,000 Common Shares, the Agent's Warrants, and the CPC Stock Options (as defined below). See "*Plan of Distribution*". Pursuant to the CPC Policy, no more than 50% of the aggregate number of Common Shares that may be acquired pursuant to the Agent's Warrants may be sold prior to the Completion of the Qualifying Transaction and the remaining 50% may only be sold after Completion of the Qualifying Transaction.

The Offering is being conducted on a commercially reasonable efforts agency basis by the Agent and is subject to receipt by the Corporation of a minimum subscription of 7,500,000 Common Shares for total gross proceeds to the Corporation of \$750,000. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for the Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as defined below) and will not be released until a minimum of \$750,000 has been deposited and the Agent deems all conditions to such release satisfied pursuant to the terms of the Agency Agreement. If the minimum subscription is not raised within 90 days of the issuance of a receipt for this prospectus or such other time as may be agreed upon by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*".

This prospectus also qualifies for distribution stock options (the "**CPC Stock Options**") to be granted to the directors and officers of the Corporation immediately following the completion of the Offering, exercisable to purchase a maximum of 1,250,000 Common Shares. Each CPC Stock Option will be exercisable to purchase one Common Share at a price of \$0.10 for a period of 10 years following the date of grant. The CPC Stock Options are qualified for distribution under this prospectus. See "*Options to Purchase Securities*".

Market for Securities

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

The Corporation has applied to list its Common Shares (including the Common Shares issuable upon the exercise of the Agent's Warrants and the CPC Stock Options) on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

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

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Warrants and the grant of the CPC Stock Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to Multilateral Instrument 11-102 - *Passport System* and National Policy 11-202 - *Process for Prospectus Reviews in Multiple*

Jurisdictions and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

Risk Factors

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

The Corporation has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. Until Completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Corporation may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required. Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other entities with greater resources. See "*Corporate Structure*", "*Business of the Corporation*" and "*Use of Proceeds*".

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

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

Investors acquiring the Common Shares offered by this prospectus will suffer an immediate dilution on investment of 20% or \$0.02 per Common Share assuming completion of the Offering, before deduction of selling commissions or related expenses of the issue. See "*Dilution*".

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

The Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other entities with greater resources. See "*Corporate Structure*", "*Business of the Corporation*" and "*Use of Proceeds*".

The Corporation may incur additional expenses or delays due to capital market uncertainty and business disruptions caused by the COVID-19 global pandemic. The future impact of the outbreak is highly uncertain and cannot be predicted. There can be no assurance that such disruptions, delays and expenses will not have a material adverse impact on the Corporation's ability to complete the Offering or identify and successfully complete a proposed Qualifying Transaction. See "*Risk Factors*".

In the event that management or directors of the Corporation reside outside of Canada or the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult

or impossible to effect service or notice to commence legal proceedings upon any management or director resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

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

Maximum Investment

Pursuant to the CPC Policy, 75%, or 5,625,000, of the total number of Common Shares offered under this prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 150,000, of the total number of Common Shares offered under this prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4%, or 300,000, of the total number of Common Shares offered under this prospectus.

Receipt of Subscriptions

The Agent hereby offers for sale, on a commercially reasonable efforts agency basis as Agent on behalf of the Corporation, 7,500,000 Common Shares at a price of \$0.10 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued by the Corporation, and in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval by Gowling WLG (Canada) LLP, on behalf of the Corporation, and by DS Lawyers Canada LLP, on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

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

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GLOSSARY

The following is a glossary of terms and abbreviations used frequently throughout this prospectus.

"**Affiliate**" means a Company that is affiliated with another Company as described below.

A Company is an "**Affiliate**" of another Company if:

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

A Company is "**controlled**" by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

"**Agency Agreement**" means the agency agreement dated as of [●], 2022 between the Corporation and the Agent.

"**Agent**" means Canaccord Genuity Corp. at its office in the City of Calgary, in the Province of Alberta.

"**Agent's Commission**" means the cash commission payable to the Agent and its sub-agents, if any, equal to 10% of the gross proceeds of the Offering.

"**Agent's Warrants**" means an option to purchase Common Shares granted to the Agent in accordance with section 5.2(c) of the CPC Policy granted by the Corporation to the Agent and any sub-agents entitling the Agent and any sub-agents to purchase Agent's Shares in an amount equal to 10% of the number of Common Shares sold pursuant to the Offering at an exercise price of \$0.10 per Agent's Share, for a period expiring on the earlier of the date that is: (i) five (5) years from the date of the listing of the Common Shares on the Exchange; or (ii) one (1) year from the date of the Completion of the Qualifying Transaction.

"**Agent's Shares**" means Common Shares acquired upon exercise of the Agent's Warrants.

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

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

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, Voting Shares entitling him to more than 10% of the voting rights attached to all outstanding

Voting Shares of the Issuer;

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

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D. 1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

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

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

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

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

"**Concurrent Financing**" has the meaning ascribed to that phrase in section 9.5 of the CPC Policy.

"**Conditional Acceptance Documents**" has the meaning ascribed to that phrase in section 11.5 of the CPC Policy.

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

"**Corporate Finance Fee**" means the non-refundable fee of \$15,000 plus GST payable to the Agent at the closing of the Offering.

"**Corporation**" means Auka Capital Corp.

"**CPC**" or "**Capital Pool Company**" means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC Prospectus from one or more of the Commissions in compliance with the CPC Policy; and

(b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

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

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

"**CPC Policy**" means Policy 2.4 – *Capital Pool Companies* of the Exchange effective January 1, 2021.

"**CPC Stock Options**" means the stock options of the Corporation to be granted to the directors and officers of the Corporation immediately following the completion of the Offering, exercisable to purchase a maximum of 1,250,000 Common Shares at a price of \$0.10 for a period of 10 years following the date of grant.

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

"**Escrow Agreement**" means the escrow agreement dated as of [●], 2022 among the Corporation, the Transfer Agent and certain shareholders of the Corporation.

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

"**Exchange Requirements**" means and includes the articles, by-laws, policies, circulars, rules (including UMIR), guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of a Regulation Services Provider or the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (Alberta) and the rules and regulations thereunder as amended, the *Securities Act* (Ontario) and the rules and regulations thereunder as amended, the *Securities Act* (British Columbia) and the rules and regulations thereunder as amended and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the Alberta Securities Commission or the British Columbia Securities Commission and all applicable provisions of the Securities Laws of any other jurisdiction.

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

"**Geological Report**" means:

- (a) in the case of a mining property, a report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* or any successor instrument, or
- (b) in the case of an oil and gas property, a report with supporting materials prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, and the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time.

"**GST**" means Goods and Services Tax.

"**Initial Public Offering**" or "**IPO**" means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first Prospectus.

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

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

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

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

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

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

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

"**Non-Arm's Length Party**" means:

- (a) in relation to a Company:
 - (i) a promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
 - (ii) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the

same promoter, officer, director, Insider or Control Person as the Company; and

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

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

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

"Offering" means the offering of 7,500,000 Common Shares at a price of \$0.10 per Common Share for aggregate gross proceeds of \$750,000, in accordance with the terms of this prospectus.

"Participating Organization" means, generally, a Company that is not a Member but has been granted access to trading privileges through the Exchange.

"Person" means a Company or individual.

"Principal" means:

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

"Pro Group"

- (a) Subject to subparagraphs (b), (c) and (d), "Pro Group" shall include either individually or as a group:

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

"Prospectus" means a disclosure document required to be prepared in connection with a public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable Securities Laws.

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

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

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

"Regulation Services Provider" has the meaning ascribed to it in National Instrument 21-101 - *Marketplace Operation* and refers to the Investment Industry Regulatory Organization of Canada or any successor retained by the Exchange.

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

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

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer.

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

"Seed Shares" means securities issued before an Issuer's IPO.

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

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

"Sponsor Report" has the meaning ascribed to it in Exchange Policy 2.2 - *Sponsorship and Sponsorship Requirements*.

"Sponsorship Acknowledgement Form" has the meaning ascribed to it in Exchange Policy 2.2 - *Sponsorship and Sponsorship Requirements*.

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

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder.

"Transfer Agent" means Odyssey Trust Company.

"UMIR" means the Universal Market Integrity Rules adopted by the Exchange and as may be amended from time to time and administered and enforced by the Exchange or any Regulation Services Provider retained by the Exchange.

"Vendor(s)" means one or all of the beneficial owners of the Significant Assets and/or Target Company.

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

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that

have occurred and are continuing.

PROSPECTUS SUMMARY

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

- The Corporation:** Auka Capital Corp.
- Business of the Corporation:** The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See "*Business of the Corporation*".
- The Offering:** 7,500,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share for gross proceeds of \$750,000. This Offering is made on a commercially reasonable efforts agency basis by the Agent. In addition, the Corporation will grant the Agent's Warrants to the Agent to purchase the equivalent of 10% of the aggregate number of Common Shares sold pursuant to the Offering, being 750,000 Common Shares, at a price of \$0.10 per share which will be exercisable for a period expiring on the earlier of the date that is: (i) five (5) years from the date of the listing of the Common Shares on the Exchange; or (ii) one (1) year from the date of the Completion of the Qualifying Transaction.
- The Corporation also intends to grant the CPC Stock Options to the directors and officers of the Corporation to purchase a maximum of 1,250,000 Common Shares to be granted immediately following closing of the Offering. The Agent's Warrants and CPC Stock Options are qualified for distribution under this prospectus. See "*Plan of Distribution*" and "*Options to Purchase Securities*".
- Use of Proceeds:** Assuming completion of this Offering, the total net proceeds to the Corporation, accounting for total cash proceeds raised prior to this Offering, net of all Offering expenses, will be approximately \$842,500. The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. See "*Use of Proceeds*" for details of the restrictions and prohibitions on the Corporation's use of funds.
- Directors and Management:**
- | | |
|----------------|--------------------------------------|
| Robert Cole | Director and Chief Executive Officer |
| Michael Kaiser | Director and Chief Financial Officer |
| Frank Y. Sur | Director and Corporate Secretary |
| Dave Muddle | Director |
| Jeff Lloyd | Director |

Ralf Kaiser Director
Jay Baraniecki Director

Escrow:

All of the currently issued and outstanding Common Shares of the Corporation, being 5,000,000 Common Shares, and all of the CPC Stock Options, being 1,250,000 CPC Stock Options, will be deposited in escrow pursuant to the terms of an Escrow Agreement and will be released from escrow in stages over a period of up to 18 months from the date of the Final QT Exchange Bulletin. See "*Escrowed Securities*."

Risk Factors:

There is currently no established market for the Common Shares. Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction.

The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment.

The directors and the officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation.

Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 20% or \$0.02 per Common Share assuming completion of the Offering, before deduction of selling commissions or related expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Until Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

The global pandemic caused by COVID-19 may result in additional expenses and delays to the Corporation, the impact of which is uncertain on the Corporation at this time.

A Qualifying Transaction may involve the acquisition of a business

or assets located outside of Canada. In the event that the Corporation identifies a foreign business or assets as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management, directors or experts resident outside of Canada or upon the foreign business or the Resulting Issuer and may find it difficult or impossible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada.

See "*Risk Factors*" for more detailed information on the risks of an investment in the Corporation's Common Shares. Also see "*Corporate Structure*", "*Directors and Officers*", "*Business of the Corporation*" and "*Use of Proceeds*"

CORPORATE STRUCTURE

Name, Incorporation and Place of Business

The full corporate name of the Corporation is Auka Capital Corp. The Corporation was incorporated under the laws of the Province of Alberta pursuant to the *Business Corporations Act* (Alberta) on August 5, 2021. The registered and head office address of the Corporation is located at Suite 1600, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9, Canada.

BUSINESS OF THE CORPORATION

Preliminary Expenses

To date, the Corporation has raised \$250,000 through the sale of 5,000,000 Common Shares. See "*Prior Sales*" and "*Capitalization*". As of the date hereof, the Corporation has paid \$15,000 (plus GST) to the Exchange, as part of the Corporation's initial listing fee. Part of the net proceeds of the Offering will be utilized to satisfy the obligations of the Corporation related to this Offering, including the fees and commissions of the Agent, the expenses of its auditors, legal counsel and the Agent's legal counsel and the listing fees of the Exchange and filing fees of the Commissions. See "*Use of Proceeds*".

Proposed Operations until Completion of the Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. As of the date hereof, the Corporation has not conducted commercial operations.

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

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

Method of Financing

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

Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In

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

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

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

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

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

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

- (a) confirmation of shareholder approval of the Qualifying Transaction, if required;
- (b) confirmation of closing of the Qualifying Transaction; and

- (c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

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

Initial Listing Requirements

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

Trading Halts, Suspensions and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of a Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must file a Form 2A – *Personal Information Form* or, if applicable, a Form 2C1 – *Declaration* with the Exchange, and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

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

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

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of seventy-five (75) calendar days after public announcement of the Qualifying Transaction Agreement or if the Corporation fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

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

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the

Exchange;

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

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of all the Common Shares offered by this prospectus will be \$750,000 if the Offering is completed. The gross proceeds received by the Corporation from the sale of 5,000,000 Common Shares prior to the date of this prospectus was \$250,000. Assuming the Offering is completed, approximately \$157,500 will be deducted from the aggregate gross proceeds of \$750,000 to pay for the expenses and costs of this issue, including legal, accounting, printing, regulatory fees, the Agent's Commission and the Corporate Finance Fee.

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

Proceeds to the Corporation	Total Offering
Gross cash proceeds received by the Corporation from the sale of Common Shares prior to this Offering ⁽¹⁾	\$250,000
Less: Expenses and costs relating to raising the cash proceeds referred to above ⁽²⁾	-
Plus: Gross cash proceeds to be raised by the Corporation from the sale of the Common Shares distributed pursuant to this Offering ⁽³⁾	\$750,000
Less: Expenses and costs relating to the Offering referred to above, incurred to date and expected to be incurred ⁽⁴⁾	(\$157,500)
Estimated funds to be available to the Corporation (on completion of the Offering)	\$842,500
Use of Proceeds	
Funds available for identifying and evaluating assets or business prospects ⁽³⁾⁽⁵⁾	\$792,500
Estimated general and administrative expenses until Completion of the Qualifying Transaction	\$50,000
TOTAL NET PROCEEDS	\$842,500

Notes:

- (1) See "Prior Sales".
- (2) No issue costs have been allocated towards the issuance of these Common Shares. See the Corporation's statement of financial position as at December 31, 2021.
- (3) In the event the Agent exercises the Agent's Warrants and the CPC Stock Options are exercised, there will be available to the Corporation \$200,000 in additional funds, which will be added to the working capital of the Corporation. There is no assurance that any of these options or warrants will be exercised.
- (4) Expenses include, the Agent's Commission, together with costs and expenses of this issue, including the listing fee payable to the Exchange and to the Commissions of approximately \$15,000, legal and other expenses of the Agent of approximately \$12,500, the Corporate Finance Fee, fees of the Corporation's counsel, audit fees, and other expenses associated with the Offering, including printing and applicable taxes, of approximately \$40,000.

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

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

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

Permitted Use of Funds

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

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

- (v) Geological Reports;
- (vi) financial statements;
- (vii) fees for legal services; and
- (viii) fees for accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
- (e) assurance and audit fees of the Corporation;
- (f) escrow agent and transfer agent fees of the Corporation; and
- (g) regulatory filing fees of the Corporation.

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

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

Prohibited Payments to Non-Arm's Length Parties

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

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

- (b) deposits and similar payments.

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

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

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

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and the Agent's Warrants.

Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties by the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Finder's Fees

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

- (a) to a Person that is not a Non-Arm's Length Party to the Corporation; and
- (b) to a Non-Arm's Length Party to the Corporation, provided that:
 - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
 - (ii) the Qualifying Transaction is not a transaction between the Corporation and an existing public company;
 - (iii) the finder's fee is payable in the form of cash, Common Shares and/or Common Share purchase warrants only;
 - (iv) the amount of any Concurrent Financing is not included in the value of the

measurable benefit used to calculate the finder's fee; and

- (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of shareholders of the Corporation or by the written consent of shareholders of the Corporation holding more than 50% of the issued Common Shares, provided that the votes attached to the Common Shares held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale, on a commercially reasonable efforts agency basis to the public 7,500,000 Common Shares, as provided in this prospectus, at a price of \$0.10 per Common Share for gross proceeds of \$750,000, subject to the terms and conditions of the Agency Agreement. This prospectus qualifies the distribution of 7,500,000 Common Shares.

The Agent will receive the Agent's Commission equal to 10% of the aggregate gross proceeds of the Offering. In addition, the Corporation will pay to the Agent a Corporate Finance Fee of \$15,000 plus GST at the closing of the Offering, and will pay the Agent's expenses related to the Offering, including legal (estimated at \$12,500) and search fees, plus disbursements and taxes.

The Corporation has also agreed to grant to the Agent and its sub-agents, if any, the non-transferable Agent's Warrants to purchase the equivalent of 10% of the aggregate number of Common Shares sold pursuant to the Offering, being 750,000 Common Shares, at a price of \$0.10 per Common Share, for a period expiring on the earlier of the date that is: (i) five (5) years from the date of the listing of the Common Shares on the Exchange; or (ii) one (1) year from the date of the Completion of the Qualifying Transaction. This prospectus qualifies the distribution of the Agent's Warrants. The Agent intends to sell to the public any Common Shares received by it upon the exercise of the Agent's Warrants. Not more than 50% of the Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

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

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering consists of 7,500,000 Common Shares for total gross proceeds of \$750,000. Pursuant to the CPC Policy, 75% or 5,625,000 of the total number of Common Shares offered under this prospectus are subject to the following limits:

1. the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 150,000 of the total number of Common Shares offered under this prospectus; and

2. the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% or 300,000 of the total number of Common Shares offered under this prospectus.

The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$750,000 has been deposited and the Agent consents to the release thereof. Minimum subscriptions of 7,500,000 Common Shares for total gross proceeds of \$750,000 must be raised within ninety (90) calendar days of the issuance of a final receipt for this prospectus, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Corporation also proposes to grant the CPC Stock Options at the closing of the Offering in accordance with the policies of the Exchange, which options are qualified for distribution pursuant to this prospectus. The Corporation proposes to grant the CPC Stock Options to the directors and officers of the Corporation to purchase a maximum of 1,250,000 Common Shares, immediately following closing of the Offering in accordance with the policies of the Exchange. This prospectus qualifies the distribution of 1,250,000 CPC Stock Options. See "*Options to Purchase Securities*".

Determination of Price

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

Listing Application

The Corporation has applied to list its Common Shares (including the Common Shares issuable upon the exercise of the Agent's Warrants and the CPC Stock Options) on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

Subscriptions by the Aggregate Pro Group

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that 75%, or 5,625,000, of the total number of Common Shares offered under this prospectus are subject to the limits that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees, contractors or any Associate or Affiliate of the foregoing, have subscribed for Common Shares of the Corporation.

Venture Issuer

As at the date of the prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a

marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Restrictions on Trading

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

DESCRIPTION OF SECURITIES DISTRIBUTED

General

The Corporation is authorized to issue an unlimited number of Common Shares, of which, as at the date hereof, 5,000,000 Common Shares are issued and outstanding as fully paid and non-assessable. The Corporation has reserved an aggregate of 1,250,000 Common Shares at an exercise price of \$0.10 per Common Share pursuant to the CPC Stock Options to be issued immediately following closing of the Offering and expiring 10 years from the date of grant. The Corporation has also reserved 10% of the aggregate number of Common Shares to be issued under the Offering pursuant to the Agent's Warrants, being 750,000 Common Shares at an exercise price of \$0.10 per Common Share, for a period expiring on the earlier of the date that is: (i) five (5) years from the date of the listing of the Common Shares on the Exchange; or (ii) one (1) year from the date of the Completion of the Qualifying Transaction. See "*Plan of Distribution*".

The Corporation is also authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") without nominal or par value, of which, as at the date hereof, none have been issued.

Common Shares

The holders of Common Shares are entitled to: (i) receive notice of and to vote at every meeting of shareholders of the Corporation and shall have one vote thereat for each such Common Share so held; (ii) receive such dividend as the directors may from time to time declare on the Common Shares, subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares; and (iii) subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares, receive the remaining property of the Corporation in the event of dissolution, liquidation or winding up of the Corporation or upon any distribution of the assets of the Corporation (other than by way of dividend out of monies properly applicable to the payment of dividends).

Preferred Shares

The Preferred Shares may be issued in one or more series, and the directors of the Corporation are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The holders of the Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation. **The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.**

CAPITALIZATION

The table below shows the capitalization of the Corporation as at the date of the statement of financial position and the date hereof before and after giving effect to this Offering but prior to taking into account the costs of the issue:

Designation of Securities	Amount authorized	Amount outstanding as at the date of the most recent statement of financial position contained in the prospectus ⁽¹⁾	Amount to be outstanding if all Common Shares being offered in the Offering are sold ⁽²⁾⁽³⁾⁽⁴⁾
Common Shares	Unlimited	\$250,000 (5,000,000 Common Shares)	\$1,000,000 (12,500,000 Common Shares)
Preferred Shares	Unlimited	N/A	Nil

Notes:

- (1) As of the date of the most recent statement of financial position, the Corporation has not commenced commercial operations.
- (2) The Corporation has reserved an aggregate of 1,250,000 Common Shares at an exercise price of \$0.10 per Common Share pursuant to the CPC Stock Options to be issued immediately following the closing of the Offering and expiring 10 years from the date of grant. The Corporation has also reserved 10% of the aggregate number of Common Shares to be issued under the Offering pursuant to the Agent's Warrants, being 750,000 Common Shares at an exercise price of \$0.10 per Common Share, for a period expiring on the earlier of the date that is: (i) five (5) years from the date of the listing of the Common Shares on the Exchange; or (ii) one (1) year from the date of the Completion of the Qualifying Transaction. See "*Plan of Distribution*".
- (3) Based on the gross proceeds of the Offering of \$750,000 and before deducting the Agent's Commission, fees and expenses and the other costs of this Offering, estimated at \$157,500.
- (4) 5,000,000 of these Common Shares are subject to escrow restrictions, see "*Escrowed Securities*".

OPTIONS TO PURCHASE SECURITIES

CPC Stock Options

CPC Stock Options to purchase up to 1,250,000 Common Shares are to be granted after closing of this Offering to the directors and officers of the Corporation. The CPC Stock Options will be granted after the closing of the Offering under the Corporation's Stock Option Plan (as defined below) and will be qualified for distribution and are expected to be allocated on the following basis:

Name of Optionee	No. of Common Shares reserved under Option ⁽¹⁾	Exercise Price per Common Share	Expiry Date
Dave Muddle	41,235	\$0.10	10 years from the date of grant
Jeff Lloyd	104,930	\$0.10	10 years from the date of grant
Ralf Kaiser	73,680	\$0.10	10 years from the date of grant
Michael Kaiser	116,845	\$0.10	10 years from the date of grant
Jay Baraniecki	98,705	\$0.10	10 years from the date of grant
Robert Cole	131,150	\$0.10	10 years from the date of grant
Frank Y. Sur	192,330	\$0.10	10 years from the date of grant
Total	758,875		

Note:

- (1) The CPC Stock Options to be granted to the directors and officers of the Corporation after the closing of this Offering

(subject to regulatory approval) are qualified for distribution pursuant to this prospectus. Such CPC Stock Options shall be exercisable for a period of 10 years from the date of grant.

Stock Option Terms

The policies of the Exchange provide that the board of directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation and its Affiliates and to consultants and management company employees, non-transferable options to purchase Common Shares for a period of up to 10 years from the date of the grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the stock option plan (the "**Stock Option Plan**") established by the Corporation, pursuant to which it may grant CPC Stock Options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any twelve (12) month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any twelve (12) month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any twelve (12) month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Notwithstanding the terms of the Stock Option Plan described above, the CPC Policy imposes certain restrictions on CPC Stock Options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final QT Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, the Corporation, while it remains a CPC, is limited to granting CPC Stock Options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option for issuance pursuant to the Stock Option Plan may not exceed 10% of the Common Shares outstanding as at the date of the grant of the option and the exercise period shall not exceed 10 years from the date of the grant. The maximum number of Common Shares issuable to any individual officer or director may not exceed 5% of the issued and outstanding Common Shares outstanding as at the date of grant of the option. The maximum number of Common Shares issuable at any given time to all technical consultants may not exceed 2% of the issued and outstanding, Common Shares outstanding as at the date of grant of the option.

In addition, while the Corporation is a CPC, it is prohibited from granting CPC Stock Options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any CPC Stock Option granted by the Corporation while it is a CPC may not be less than the greater of \$0.10 and the Discounted Market Price (as defined under Exchange policies). Any CPC Stock Options or Common Shares acquired pursuant to the exercise of CPC Stock Options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the Escrow Agreement. See "*Escrowed Securities*".

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

PRIOR SALES

Since the date of incorporation of the Corporation, 5,000,000 Common Shares have been issued as follows:

Date of Issue	Number of Common Shares	Per Share Consideration	Aggregate Value of Consideration	Nature of Consideration
August 5, 2021	2,500,000 ⁽¹⁾	\$0.05	\$125,000	Cash
February 28, 2022	2,500,000 ⁽¹⁾	\$0.05	\$125,000	Cash

Note:

(1) These Common Shares will be subject to escrow pursuant to the CPC Policy. See "*Escrowed Securities*".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 5,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, and all Common Shares that may be acquired from treasury by Non-Arm's Length Parties of the Corporation either under the Offering or otherwise prior to the date of the Final QT Exchange Bulletin will be deposited with the Transfer Agent under the Escrow Agreement.

All CPC Stock Options and all Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options are subject to escrow under the Escrow Agreement.

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

The following table sets out, as at the date hereof, the number of Common Shares and CPC Stock Options of the Corporation, which are held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering ⁽¹⁾⁽²⁾	Number of CPC Stock Options held in Escrow
Dave Muddle Edmonton, Alberta	100,000	100,000	2%	0.8%	41,235
Jeff Lloyd Edmonton, Alberta	500,000	500,000	10%	4%	104,930
Ralf Kaiser Sherwood Park, Alberta	500,000	500,000	10%	4%	73,680

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering ⁽¹⁾⁽²⁾	Number of CPC Stock Options held in Escrow
Michael Kaiser Edmonton, Alberta	200,000	200,000	4%	1.6%	116,845
Jay Baraniecki Edmonton, Alberta	300,000	300,000	6%	2.4%	98,705
Robert Cole Edmonton, Alberta	700,000	700,000	14%	5.6%	131,150
Frank Y. Sur Calgary, Alberta	1,200,000	1,200,000	24%	9.6%	192,330
Leah Lloyd Edmonton, Alberta	250,000	250,000	5%	2%	-
Jetha Ventures Corporation Calgary, Alberta	500,000	500,000	10%	4%	-
Jason Mullins Calgary, Alberta	300,000	300,000	6%	2.4%	-
Blair Wentworth Calgary, Alberta	150,000	150,000	3%	1.2%	-
Douglas Nicol Calgary, Alberta	300,000	300,000	6%	2.4%	-

Notes:

- (1) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants and the CPC Stock Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".
- (2) On a fully diluted basis, assuming the exercise of the Agent's Warrants and the CPC Stock Options and after giving effect to the Offering, the Common Shares held in escrow would represent, in aggregate, approximately 41.11% of the outstanding Common Shares.

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

Under the Escrow Agreement:

- (a) all CPC Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such CPC Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than CPC Stock Options that were granted prior to the Corporation's IPO with an exercise price that is less than the issue price of the

Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such CPC Stock Options which will be released from escrow in accordance with (b);

- (b) except for the CPC Stock Options and Common Shares issued pursuant to the exercise of such CPC Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

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

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

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

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

Escrowed Securities on Qualifying Transaction

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

PRINCIPAL SHAREHOLDERS

Principal Shareholders

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

Name and Municipality of Residence	Type of Ownership	Number of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After to Giving Effect to the Offering ⁽¹⁾⁽²⁾
Frank Y. Sur Calgary, Alberta	Direct	1,200,000	24%	9.6%
Robert Cole Edmonton, Alberta	Direct	700,000	14%	5.6%
Ralf Kaiser Sherwood Park, Alberta	Direct	500,000	10%	4%
Jeff Lloyd Edmonton, Alberta	Direct	500,000	10%	4%
Jetha Ventures Corporation Calgary, Alberta	Direct	500,000	10%	4%

Notes:

- (1) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants and the CPC Stock Options.
- (2) On a fully diluted basis, assuming the exercise of the Agent's Warrants and the CPC Stock Options and after giving effect to the Offering, Frank Y. Sur would directly own approximately 9.94% of the outstanding Common Shares, Robert Cole would directly own approximately 5.93%, and each of Ralf Kaiser, Jeff Lloyd and Jetha Ventures Corporation would directly own approximately 4.10%, 4.32% and 3.57% respectively, of the outstanding Common Shares.

DIRECTORS AND OFFICERS

Name, Address, Occupation, Security Holdings and Involvement with Other Reporting Issuers

The board of directors of the Corporation consists of seven persons. Each director will hold office until the next annual meeting of shareholders or until his successor is elected or appointed. An audit committee has been established as a subcommittee of the board of directors. The following are the names and municipalities of residence of the directors and officers of the Corporation, their current positions with the Corporation and their current principal occupation:

Name, Municipality of Residence and Position with the Corporation	Director or Officer Since	Number of Common Shares Owned ⁽¹⁾⁽²⁾	Principal Occupation for Past Five Years
Robert Cole Edmonton, Alberta <i>Director, Chief Executive Officer and President</i>	August 5, 2021	700,000	Portfolio Manager, CIBC Private Wealth

Name, Municipality of Residence and Position with the Corporation	Director or Officer Since	Number of Common Shares Owned⁽¹⁾⁽²⁾	Principal Occupation for Past Five Years
Michael Kaiser Edmonton, Alberta <i>Director and Chief Financial Officer</i>	August 5, 2021	200,000	Senior Associate, KV Capital Inc.
Frank Y. Sur Calgary, Alberta <i>Director and Corporate Secretary</i>	August 5, 2021	1,200,000	Partner, Gowling WLG (Canada) LLP
Dave Muddle Edmonton, Alberta <i>Director</i>	August 5, 2021	100,000	Founder/Consultant, David J Muddle Consulting Inc.
Jeff Lloyd Edmonton, Alberta <i>Director</i>	August 5, 2021	500,000	President, Almita Piling Inc.
Ralf Kaiser Sherwood Park, Alberta <i>Director</i>	August 5, 2021	500,000	CEO, Integrated Compliance Solutions LLC
Jay Baraniecki Edmonton, Alberta <i>Director</i>	August 5, 2021	300,000	Direct, Technologies and Energy Services, EPCOR Utilities Inc.

Notes:

- (1) "Owned" includes owned, controlled, or otherwise directed, directly or indirectly.
- (2) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants and the CPC Stock Options.

The Corporation has appointed an audit committee consisting of Michael Kaiser, Jay Baraniecki and Dave Muddle.

The total aggregate number of Common Shares beneficially owned, directly or indirectly, by all directors and officers of the Corporation as a group is 3,500,000, which is equal to 28% of the issued and outstanding Common Shares after giving effect to the Offering.

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

Directors and Officers of the Corporation

Set forth below is a description of the background of the directors and officers of the Corporation, including a description of each individual's principal occupation(s) within the past five years.

Robert Cole, Age 56 – Director, Chief Executive Officer and President

Robert Cole has over 25 years of experience within capital markets and wealth management. He is currently leading his own consulting company, Tytata Wealth. As a portfolio manager and family enterprise advisor, he consults on family and business wealth creation and eventual transition within a governance framework. His industry experience has ranged from product development, product

distribution, practice management, industry regulatory compliance and high net worth client advisory. A graduate of the University of Alberta, Mr. Cole holds both a bachelor degree in Arts and Commerce and is currently an MBA candidate with the Australian Institute of Business.

Mr. Cole is an independent contractor of the Corporation and it is anticipated that Mr. Cole will devote such amount of time as is required by the Corporation to identify and complete a Qualifying Transaction. Mr. Cole has not entered into a non-competition or non-disclosure agreement with the Corporation.

Michael Kaiser, Age 26 – Director and Chief Financial Officer

Mr. Kaiser is a senior associate at KV Capital, a private equity fund that invests in lower mid-market businesses. Prior to his current position, Mr. Kaiser worked at Rohit Group of Companies as an analyst in Edmonton, Alberta.

Mr. Kaiser graduated with a Bachelor of Commerce from the University of Alberta with a major in Finance. Mr. Kaiser has both the Charter Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations.

Mr. Kaiser is an independent contractor of the Corporation and it is anticipated that Mr. Kaiser will devote such amount of time as is required by the Corporation to identify and complete a Qualifying Transaction. Mr. Kaiser has not entered into a non-competition or non-disclosure agreement with the Corporation.

Dave Muddle, Age 49 – Director

Dave Muddle is the founder and current Managing Partner of the M Consulting Group, a professional management consultancy specializing in strategy and organizational design and development. Prior to starting M Consulting, Mr. Muddle was a senior executive in the Public Service of Canada, where he managed and led a large portfolio of several regulatory and health-based programs for Health Canada. He was based in western Canada but managed several national and international files, particularly in areas of emerging and novel technologies.

Mr. Muddle graduated with a Bachelor of Arts (Honours) in Political Science from the University of Alberta, and has completed the Executive Program at the University of Alberta. He is PROSCI Certified in Change Management, as well as having IAP2 training in public participation methodologies. He has completed executive certifications in public sector project management, as well as having multiple micro-certifications in psychometric and talent management methodologies.

He currently serves on several boards including as the Vice-Chair of the Institute of Certified Management Consultants of Alberta. He is a sessional instructor in the University of Alberta's MBA program, teaching courses on strategic management in the public sector, as well as doing business with public sector entities.

Frank Y. Sur, Age 42 – Director and Corporate Secretary

Frank Sur is a partner of Gowling WLG (Canada) LLP in Calgary, Alberta. Mr. Sur acts for public and private issuers, as well as underwriters on a range of transactional matters, including public and private debt and equity offerings, reorganizations and recapitalizations. Mr. Sur also regularly provides advice on corporate governance and securities regulatory compliance matters to various issuers.

Mr. Sur holds an LL.B. from the University of Windsor, a Juris Doctor from the University of Detroit Mercy School Of Law and a bachelor's degree in arts (honours) from Queen's University.

Jeff Lloyd, Age 56 – Director

Mr. Jeff Lloyd is the President of Almita Piling, a leading North American geostructural provider. Prior to his current position, Mr. Lloyd worked at a New York Stock Exchange listed international consulting firm based in Edmonton, Alberta as its vice president of Corporate Development.

Mr. Lloyd graduated with a Bachelor of Science in Business Administration from the University of Denver in 1987 and with a Juris Doctor degree from Osgoode Hall Law School at York University in 1990.

Mr. Lloyd currently serves as a member of the Board of Directors of Olsson, a multi discipline engineering and consulting firm based in Lincoln, Nebraska and as a member of the Board of Directors of the Derrick Club in Edmonton, Alberta. Mr. Lloyd is a past director and member of the Pigeon Lake Watershed Association, the EPCOR Community Essentials Council and the Kids with Cancer Society of Northern Alberta.

Ralf Kaiser, Age 55 – Director

Ralf Kaiser has been involved in the investment and financial industries for over 30 years with a focus on capital raising, investment management, technology start-ups and capital markets. In 2022, Mr. Kaiser was appointed President of Parsl.co, a technology company focused on the cannabis industry.. As the President of Parsl.co, Mr. Kaiser is responsible for overseeing all aspects of the company, including fundraising, operational matters and setting the general strategic direction of the company. Prior to Mr. Kaiser's position as President of Parsl.co, he was an executive with Integrated Compliance Solutions, LLC, a financial technology, banking compliance and innovative payment solution provider which helps financial institutions with complex transactions.

A graduate of the University of Alberta, Mr. Kaiser holds both a bachelor degree in commerce and science.

Jay Baraniecki, Age 47 – Director

Mr. Baraniecki is a utility executive with over 20 years of experience and is currently holds the position of Director at EPCOR Technologies, as subsidiary of EPCOR Utilities Inc. In his current position Mr. Baraniecki is responsible for the operations of the division which primarily consists of engineering and project management services, fleet management, maintenance and repairs services and the provision of dark fibre lease services. Prior to assuming his current role, Mr. Baraniecki was the Director, Energy Services heading EPCOR Utilities Inc.'s Energy Services Division that primarily provides billing and customer care services for EPCOR's regulated electricity customers.

Mr. Baraniecki also serves as the Board Chair for UpRyze Cannabis Ltd., a fully licensed micro-cultivation and micro-processing cannabis company in Acheson, Alberta. He has served in this capacity since August 2019.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers

in any Canadian jurisdiction (or the equivalent in a jurisdiction outside of Canada)

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Term
<i>Frank Y. Sur</i>	INDVR Brands Inc. (formerly Cannabis One Holdings Inc.)	CNSX	Director	October 2018 to Present
	ApartmentLove Inc.	CNSX	Director	March 2022 to Present
	Yangarra Resources Ltd.	TSX	Corporate Secretary	October 2015 to September 2019

Aggregate Ownership of Securities

The directors and officers as a group own 3,500,000 Common Shares, or 28% of the issued and outstanding Common Shares upon completion of the Offering.

Corporate Cease Trade Orders

No director, officer, insider or promoter of the Corporation is, or within the 10 years prior to the date of this prospectus has been, a director, officer or promoter of any other Issuer that:

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

Penalties or Sanctions

No director, officer, insider or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor making an investment decision.

Bankruptcies

Other than as set forth below, no director, officer, insider or promoter of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding, company of any such persons has, within the 10 years before the date of this prospectus, as applicable:

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

Frank Y. Sur was the corporate secretary of Great Prairie Energy Services Inc. ("**GPES**") which, following a demand for repayment from its lender on January 18, 2016, was placed into receivership on January 22, 2016 pursuant to an order by the Court of Queen's Bench of Alberta. Concurrently with the appointment of the receiver, all of GPES' directors and officers resigned.

Conflict of Interests

There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended.

Audit Committee

Exchange Policy 3.1 requires that the Corporation have an audit committee of at least three directors, the majority of whom are not employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates. The audit committee will be responsible for overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation.

Given the current prescribed nature of the Corporation and its principal business being limited to identifying and evaluating assets or businesses with a view to completing, a Qualifying Transaction, it is anticipated that, prior to the Completion of the Qualifying Transaction, the only committee of the board of directors will be the audit committee.

The Corporation has appointed an audit committee consisting of the following three directors: Michael Kaiser, Jay Baraniecki and Dave Muddle. Each of Jay Baraniecki and Dave Muddle are independent of the Corporation for the purposes of Exchange Policy 3.1. Michael Kaiser is not independent of the Corporation for the purposes of Exchange Policy 3.1 as he is the Chief Financial Officer of the

Corporation. Each of Michael Kaiser, Jay Baraniecki and Dave Muddle are financially literate and independent of the Corporation for the purposes of National Instrument 52-110 – *Audit Committees*.

EXECUTIVE COMPENSATION

Remuneration

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

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

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

DILUTION

Dilution

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 20% or \$0.02 per Common Share assuming completion of Offering. Dilution is based on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation, or any Common Shares issuable on the exercise of the Agent's Warrants.

RISK FACTORS

Risk Factors

There are a number of risks inherent in making an investment in the Common Shares. The list below outlines the material risk factors that should be considered by persons considering purchasing the Common Shares. The list is not intended to be all-inclusive.

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. See "*Corporate Structure*" and "*Business of the Corporation*";
- (b) investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;

- (c) the directors and officers of the Corporation will devote only a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "*Directors and Officers*";
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 20% or \$0.02 per Common Share assuming completion of the Offering. See "*Dilution*";
- (e) there is no market through which the Common Shares may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation;
- (f) there can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (g) until Completion of the Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "*Business of the Corporation*";
- (h) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction. See "*Business of the Corporation*";
- (i) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction. See "*Business of the Corporation*";
- (j) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval. See "*Business of the Corporation*";
- (k) unless a shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares;
- (l) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation may be reinstated to trading, before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction. See "*Business of the Corporation*";
- (m) trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in

the time periods required;

- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- (q) subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Corporation will be able to recover that loan. See "*Use of Proceeds*"; and
- (r) the Corporation may incur additional expenses and delays due to the impact of the global pandemic caused by COVID-19 on the capital markets and general market conditions. Such expenses and delays may result in a material adverse impact in connection with the Corporation's ability to complete its Offering or ability to identify and complete a proposed Qualifying Transaction.

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

LEGAL PROCEEDINGS

There are no legal proceeds to which the Corporation is or is likely to be a party.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

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

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors or officers, employees or contractors or Associates or Affiliates of the foregoing have subscribed for Common Shares of the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Gowling WLG (Canada) LLP on behalf of the Corporation, and by DS Lawyers Canada LLP on behalf of the Agent. As of the date hereof, partners and associates of Gowling WLG (Canada) LLP own, directly and indirectly, 1,650,000 Common Shares, representing 33% of the issued and outstanding Common Shares. All other partners and associates of Gowling WLG (Canada) LLP do not own, directly or indirectly, any outstanding Common Shares but

may subscribe for Common Shares pursuant to the Offering. As of the date hereof, partners and associates of DS Lawyers Canada LLP do not own, directly or indirectly, any outstanding Common Shares but may subscribe for Common Shares pursuant to the Offering.

EBT Chartered Professional Accountants is the auditor of the Corporation, at its office at Medicine Hat, Alberta.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The Corporation's auditor, EBT Chartered Professional Accountants, is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

Transfer Agent and Registrar

The Corporation's transfer agent and registrar is Odyssey Trust Company, at its office at Calgary, Alberta.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have all acquired Common Shares and will be granted CPC Stock Options. Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Corporation, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Corporation. See "*Options to Purchase Securities*", "*Escrowed Securities*" and "*Principal Shareholders*".

MATERIAL CONTRACTS

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

1. The Transfer Agency and Registrarship Agreement dated as of February 28, 2022 between the Corporation and the Transfer Agent.
2. The Escrow Agreement dated as of [●], 2022 among the Corporation, the Transfer Agent and those shareholders that executed such Escrow Agreement referred to under "*Escrowed Securities*".
3. The Agency Agreement dated as of [●], 2022 among the Corporation and the Agent referred to under "*Plan of Distribution*".

The material contracts described above may be inspected at the registered office of the Corporation, located at Suite 1600, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9, during normal business hours during the period of the distribution of the Common Shares being, distributed hereunder and for a period of thirty (30) calendar days thereafter.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the securities to be offered and not disclosed elsewhere in this prospectus, or are necessary in order for the prospectus to contain full, true

and plain disclosure of all material facts relating to the securities to be offered.

DIVIDEND POLICY

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling WLG (Canada) LLP, counsel to the Corporation, based on the current provisions of the Tax Act, the Common Shares will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan ("RESP"), a tax-free savings account ("TFSA"), a registered disability savings plan ("RDSP") (each an "Exempt Plan") or a deferred profit sharing plan ("DPSP") (as those terms are defined in the Tax Act) provided that, at the time of the acquisition thereof by the Exempt Plan, the Common Shares are listed on a "designated stock exchange" (as defined in the Tax Act and which currently includes the Exchange).

If the Common Shares are not listed on the Exchange on the closing of the Offering but become listed on the Exchange prior to the date on which the Corporation must file a tax return under the Tax Act for its first taxation year, the Corporation may make an election in such income tax return to be deemed to have been a "public corporation" for purposes of the Tax Act from the beginning of its first taxation year until the time when the Common Shares are listed on the Exchange. If this occurs, the Common Shares will be qualified investments for Exempt Plans and DPSPs at the closing of the Offering notwithstanding that the Common Shares were not listed on the Exchange at the closing of the Offering.

Notwithstanding that the Common Shares may be a qualified investment for an Exempt Plan, the annuitant under, subscriber or holder of (the "Controlling Individual"), as applicable, an Exempt Plan that holds Common Shares will be subject to a penalty tax in respect of Common Shares held in the Exempt Plan if such Common Shares are a "prohibited investment" for the Exempt Plan and are not "excluded property" for the purposes of the Tax Act. The Common Shares will generally be a "prohibited investment" for an Exempt Plan if the Controlling Individual (i) does not deal at arm's length with the Corporation for the purposes of the Tax Act, or (ii) has a "significant interest" (as defined in the Tax Act) in the Corporation for the purposes of the Tax Act.

Prospective holders that intend to hold Common Shares in an Exempt Plan are urged to consult their own tax advisers with respect to whether the Common Shares would constitute a "prohibited investment" in their particular circumstances, including with respect to whether such securities would be "excluded property" in their particular circumstances.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in British Columbia, Alberta and Ontario provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of

the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Auka Capital Corp.

Financial Statements

(Expressed in Canadian dollars)

**For the Period from Date of Incorporation (August 5, 2021) to December 31, 2021 and the Three-
Month Period Ended March 31, 2022**

AUKA CAPITAL CORP.
NON-CONSOLIDATED FINANCIAL
STATEMENTS
DECEMBER 31, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS
an Association to practice Chartered Professional Accountancy

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AUKA CAPITAL CORP.

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DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Auka Capital Corp.

Opinion

We have audited the non-consolidated financial statements of Auka Capital Corp., which comprise the non-consolidated Statement of Financial Position as at December 31, 2021, and the non-consolidated Statements of Loss, Deficit and Cash Flows for the period from August 5, 2021 to December 31, 2021, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2021, and its non-consolidated financial performance and its non-consolidated cash flows for the period from August 5, 2021 to December 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the non-consolidated Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT, continued

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

Medicine Hat, Alberta
April 18, 2022

Hayden Beck CPA
Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANT

AUKA CAPITAL CORP.

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSET

CURRENT ASSET

Cash	\$ 124,265
------	------------

LIABILITY

CURRENT LIABILITY

Accounts payable and accrued liabilities	\$ 8,924
--	----------

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 4)	125,000
------------------------	---------

DEFICIT	(9,659)
---------	---------

115,341

\$ 124,265

AUKA CAPITAL CORP.

NON-CONSOLIDATED STATEMENT OF LOSS

FOR THE PERIOD FROM AUGUST 5, 2021 TO DECEMBER 31, 2021

REVENUE	\$ -
<hr/>	
EXPENSES	
Accounting and legal	8,924
Advertising and promotion	735
<hr/>	
	9,659
<hr/>	
NET LOSS	\$ (9,659)

The accompanying notes are an integral part of the non-consolidated financial statements

AUKA CAPITAL CORP.

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM AUGUST 5, 2021 TO DECEMBER 31, 2021

	Share capital	Deficit	Total equity
Balance, August 5, 2021	\$ -	\$ -	\$ -
Net loss	-	(9,659)	(9,659)
Issuance of share capital	125,000	-	125,000
Balance, December 31, 2021	\$ 125,000	\$ (9,659)	\$ 115,341

The accompanying notes are an integral part of the non-consolidated financial statements

AUKA CAPITAL CORP.

NON-CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM AUGUST 5, 2021 TO DECEMBER 31, 2021

OPERATING ACTIVITIES

Net loss	\$ (9,659)
Change in non-cash working capital	
Accounts payable and accrued liabilities	8,924
	<hr/>
	(735)

FINANCING ACTIVITY

Issuance of share capital	125,000
	<hr/>

INCREASE IN CASH 124,265

CASH, beginning of period

 -

CASH, end of period \$ 124,265

AUKA CAPITAL CORP.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

NATURE OF BUSINESS

Auka Capital Corp. (the 'Company') was incorporated on August 5, 2021 under the laws of the Province of Alberta, Canada as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

Head office is located at 1600, 421 7th Avenue SW, Calgary Alberta, T2P 4K9.

The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the "Qualifying Transaction"), subject to, if a non-arm's length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities.

Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

1. BASIS OF PRESENTATION

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

The non-consolidated financial statements were approved by the Board of Directors and authorized for issue on April 18, 2022.

The non-consolidated financial statements have been prepared on a historical cost basis. In addition, these non-consolidated financial statements have been prepared using the accrual basis of accounting except for the Statement of Cash Flows.

These non-consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. GOING CONCERN

These non-consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As at December 31, 2021 the Company's management believes it has sufficient cash to satisfy its financial obligations for the next 12 months. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

AUKA CAPITAL CORP.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

3. SIGNIFICANT ACCOUNTING POLICY

FINANCIAL INSTRUMENTS

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as "amortized cost", "fair value through profit or loss" or "fair value through other comprehensive income". The classification of financial assets is determined by their characteristics and their context in the Company's business model.

The Corporation classifies financial assets and liabilities as follows:

- Amortized cost: Cash and accounts payable and accrued liabilities are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

- Fair value through profit or loss or fair value through other comprehensive income: The Company does not have financial instruments that meet the criteria to be measured at amortized cost and, accordingly, no financial instruments are measured at fair value through profit or loss or fair value through other comprehensive income.

4. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Company has the following Common Shares issued and outstanding:

Issued	
2,500,000 Common Shares	\$ 125,000

During the period ended December 31, 2021, the Company issued 2,500,000 Common shares at \$0.05 per share.

5. SUBSEQUENT EVENT

Subsequent to the year end, the Company issued 2,500,000 Common shares at \$0.05 per share, in exchange for cash totalling \$125,000.

AUKA CAPITAL CORP.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

6. CAPITAL MANAGEMENT

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company had shareholders' equity of \$125,000 as of December 31, 2021.

The Company currently has no source of revenues. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of shares may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under Exchange Policy 2.4.

AUKA CAPITAL CORP.
CONDENSED INTERIM NON-CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2022



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AUKA CAPITAL CORP.

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MARCH 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders of
Auka Capital Corp.

We have reviewed the accompanying Condensed Interim Non-Consolidated financial statements of Auka Capital Corp. that comprise the Condensed Interim Non-Consolidated Statement of Financial Position as at March 31, 2022, and the Condensed Interim Non-Consolidated Statements of Loss, Changes in Equity and Cash Flows for the three months then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Condensed Interim Non-Consolidated Financial Statements

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

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying Condensed Interim Non-Consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of Condensed Interim Non-Consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these Condensed Interim Non-Consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Non-Consolidated financial statements do not present fairly, in all material respects, the financial position of Auka Capital Corp. as at March 31, 2022, and its financial performance and its cash flows for the three months then ended in accordance with International Financial Reporting Standards.

Hayden Beck CPA
Professional Corporation

Medicine Hat, Alberta
May 27, 2022

CHARTERED PROFESSIONAL ACCOUNTANT

AUKA CAPITAL CORP.

CONDENSED INTERIM NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

MARCH 31, 2022

ASSETS		2022	December 31, 2021 (Audited)
<hr/>			
CURRENT ASSETS			
Cash		\$ 231,895	\$ 124,265
Prepaid expenses		7,500	-
<hr/>			
		\$ 239,395	\$ 124,265
<hr/>			
LIABILITY			
CURRENT LIABILITY			
Accounts payable and accrued liabilities		\$ 9,975	\$ 8,924
<hr/>			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL (Note 4)		250,000	125,000
DEFICIT		(20,580)	(9,659)
<hr/>			
		229,420	115,341
<hr/>			
		\$ 239,395	\$ 124,265
<hr/>			

GOING CONCERN (Note 2)

AUKA CAPITAL CORP.

CONDENSED INTERIM NON-CONSOLIDATED STATEMENT OF LOSS (Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	2022	For the three months ended March 31, 2021
REVENUE	\$ -	\$ -
EXPENSES		
Accounting and legal	10,921	-
NET LOSS	\$ (10,921)	\$ -
BASIC AND DILUTED INCOME PER SHARE	(0.0022)	0.0000
AVERAGE WEIGHTED NUMBER OF COMMON SHARES	5,000,000	0

The accompanying notes are an integral part of the condensed interim non-consolidated financial statements

AUKA CAPITAL CORP.

CONDENSED INTERIM NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Share capital	Deficit	Total equity
Balance, March 31, 2021	\$ -	\$ -	\$ -
Net loss	-	(9,659)	(9,659)
Issuance of share capital for cash	125,000	-	125,000
Balance, December 31, 2021	125,000	(9,659)	115,341
Net loss	-	(10,921)	(10,921)
Issuance of share capital for cash	125,000	-	125,000
Balance, March 31, 2022	\$ 250,000	\$ (20,580)	\$ 229,420

The accompanying notes are an integral part of the condensed interim non-consolidated financial statements

AUKA CAPITAL CORP.

CONDENSED INTERIM NON-CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	2022	For the three months ended March 31, 2021
OPERATING ACTIVITIES		
Net loss	\$ (10,921)	\$ -
Changes in non-cash working capital		
Prepaid expenses	(7,500)	-
Accounts payable and accrued liabilities	1,051	-
	(17,370)	-
FINANCING ACTIVITY		
Issuance of share capital	125,000	-
INCREASE IN CASH	107,630	-
CASH, beginning of period	124,265	-
CASH, end of period	\$ 231,895	\$ -

The accompanying notes are an integral part of the condensed interim non-consolidated financial statements

AUKA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM NON-CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

MARCH 31, 2022

NATURE OF BUSINESS

Auka Capital Corp. (the 'Company') was incorporated on August 5, 2021 under the laws of the Province of Alberta, Canada as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

Head office is located at 1600, 421 7th Avenue SW, Calgary Alberta, T2P 4K9.

The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the "Qualifying Transaction"), subject to, if a non-arm's length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities.

Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

1. BASIS OF PRESENTATION

These condensed interim non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC's). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These condensed interim non-consolidated financial statements have been prepared with the same accounting policies and methods of computation as the full annual financial report for the year ended December 31, 2021. The notes presented in these condensed interim non-consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Company's annual non-consolidated financial statements. As a result, these condensed interim non-consolidated financial statements should be read in conjunction with the Annual Financial Statements.

The condensed interim non-consolidated financial statements were approved by the Board of Directors and authorized for issue on May 27, 2022.

The condensed interim non-consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim non-consolidated financial statements have been prepared using the accrual basis of accounting except for the Statement of Cash Flows.

These condensed interim non-consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

AUKA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM NON-CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2022

2. GOING CONCERN

These condensed interim non-consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As at March 31, 2022 the Company's management believes it has sufficient cash to satisfy its financial obligations for the next 12 months. The continuation of the Company is dependent upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

3. SIGNIFICANT ACCOUNTING POLICY

FINANCIAL INSTRUMENTS

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as "amortized cost", "fair value through profit or loss" or "fair value through other comprehensive income". The classification of financial assets is determined by their characteristics and their context in the Company's business model.

The Corporation classifies financial assets and liabilities as follows:

- Amortized cost: Cash and accounts payable and accrued liabilities are held by the Company to collect or pay contractual cash flows and are measure at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

- Fair value through profit or loss or fair value through other comprehensive income: The Company does not have financial instruments that meet the criteria to be measured at amortized cost and, accordingly, no financial instruments are measured at fair value through profit or loss or fair value through other comprehensive income.

AUKA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM NON-CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

MARCH 31, 2022

4. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Company has the following Common Shares issued and outstanding:

	2022	December 31, 2021 (Audited)
Issued		
5,000,000 Common Shares (2021 - 2,500,000 shares)	\$ 250,000	\$ 125,000

During the period ended March 31, 2022 (December 31, 2021), the Company issued 2,500,000 (2,500,000) common shares at \$0.05 per share (\$0.05 per share).

5. CAPITAL MANAGEMENT

The Company is a Capital Pool Company and considers items included in shareholders' equity as capital. The Company has no debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company had shareholders' equity of \$250,000 as of March 31, 2022 (\$125,000 as of December 31, 2021).

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of shares may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under Exchange Policy 2.4.

CERTIFICATE OF THE CORPORATION

Dated: June 17, 2022

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

/s/ "Robert Cole"

Robert Cole
Chief Executive Officer, President and
Director

/s/ "Michael Kaiser"

Michael Kaiser
Chief Financial Officer and Director

/s/ "Frank Y. Sur"

Frank Y. Sur
Corporate Secretary and Director

On behalf of the Board of Directors

/s/ "Ralf Kaiser"

Ralf Kaiser
Director

/s/ "Jay Baraniecki"

Jay Baraniecki
Director

/s/ "Dave Muddle"

Dave Muddle
Director

/s/ "Jeff Lloyd"

Jeff Lloyd
Director

CERTIFICATE OF THE AGENT

Dated: June 17, 2022

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

CANACCORD GENUITY CORP.

/s/ "Jeff German"

Jeff German
Managing Director, Retail Corporate
Finance