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PROSPECTUS

Initial Public Offering

July 28, 2017

**DUCKWORTH CAPITAL CORP.
(a capital pool company)**

**\$400,000
(4,000,000 Common Shares)**

Price: \$0.10 per Common Share

The purpose of this offering (the “**Offering**”) is to provide Duckworth Capital Corp. (the “**Corporation**”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereafter defined. The Corporation hereby offers 4,000,000 common shares (“**Common Shares**”) to the public at a price of \$0.10 per share. 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, 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**”), as hereinafter defined. It has not commenced commercial operations and has no assets other than a minimum amount of cash, sales taxes recoverable and deferred share issuance costs. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction (as defined below), 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 currently intends to pursue a Qualifying Transaction through the acquisition of a business or Significant Asset.

The Offering is made on a commercially reasonable efforts basis by Haywood Securities Inc. (the “**Agent**”) in the provinces of Nova Scotia, Newfoundland, Ontario, Alberta and British Columbia (collectively, the “**Jurisdictions**”) and is subject to a subscription of 4,000,000 Common Shares for total gross proceeds to the Corporation of \$400,000. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement, as hereinafter defined. If the subscription for 4,000,000 Common Shares for gross proceeds of \$400,000 is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be authorized by the applicable securities regulatory authorities in the Jurisdictions (collectively the “**Commissions**”) and consented to by the Agent and Persons 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”.

	<u>Common Shares</u>	<u>Price to public</u>	<u>Agent’s commission (1)</u>	<u>Net proceeds to the Corporation (2)</u>
Per Common Share.....	1	\$0.10	\$0.01	\$0.09
Total Offering ⁽³⁾	4,000,000	\$400,000	\$40,000	\$360,000

(1) A cash commission equal to 10% of the gross proceeds will be paid to the Agent. The Corporation will pay the Agent’s expenses related to the Offering including reasonable fees and disbursements of Agent’s counsel and searches, up to \$10,000. In addition, the Corporation has agreed to pay to the Agent a corporate finance fee of \$10,000 plus applicable taxes payable at closing of the Offering. The Agent will also be granted the Agent’s Warrants referred to below. See “Plan of Distribution – Name of Agent and Agent’s Compensation”.

(2) Before deducting the costs and expenses of the Offering (other than the Agent’s commission) estimated at \$57,750 (inclusive of the listing fee payable to the Exchange of \$15,000 plus taxes and the Agent’s fees and expenses). See “Use of Proceeds”.

(3) A total of 4,000,000 Common Shares are qualified for distribution hereunder. In addition, this prospectus qualifies for distribution: (i) the Agent’s Warrants (as hereinafter defined); and (ii) the distribution of the Common Shares issuable upon the exercise of the Agent’s Warrants.

Pursuant to the Agency Agreement, the Agent will be granted non-transferable warrants (the “**Agent’s Warrants**”) to purchase 400,000 Common Shares, which is the number of Common Shares equal to 10% of the total number of Common

Shares sold in connection with this Offering, at a price of \$0.10 per Common Share and exercisable for a period of 24 months from the date of listing of the Common Shares on the Exchange. The grant of the Agent's Warrants is qualified under this prospectus. See "Plan of Distribution – Name of Agent and Agent's Compensation".

Market for Securities

The Exchange has conditionally accepted for listing the Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

There is currently 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 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".

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

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Warrants, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus in respect of this Offering is issued by the Commission that is designated the principal regulator pursuant to *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 Commissions grant a discretionary order.

Risk Factors

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

The Corporation was only recently incorporated, owns no assets other than cash, sales taxes recoverable and deferred share issuance costs, has no record of earnings or dividends, has not entered into an Agreement in Principle (as defined hereafter) with respect to a proposed Qualifying Transaction and may not generate earnings or pay dividends in the immediate or foreseeable future. The proposed business of the Corporation involves a degree of risk and there is no assurance that the Corporation will identify assets or businesses that warrant acquisition or participation or will be able to successfully negotiate same, or that any such opportunities or businesses acquired would be profitable. Until Completion of the Qualifying Transaction (as defined herein), the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions and, except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) thirty percent (30%) of the gross proceeds realized from the sale of all securities issued by the Corporation, and (ii) \$210,000 may be used for purposes other than evaluating potential Qualifying Transactions. Moreover, if a potential asset or business is identified and an acquisition or participation therein is warranted, additional funds may be required and there is no assurance that the Corporation will be able to obtain such financing. Subscribers hereunder will experience immediate dilution of approximately \$.033 per share or 33%, prior to deduction of selling commissions and related expenses. An acquisition financed by the issuance of additional Common Shares may result in further dilution and a change of control of the Corporation. In the event the Corporation identifies and completes the acquisition of a corporation or assets located outside of Canada, it may be difficult or impossible to effect service or notice to commence legal proceedings on any directors, officer and experts located outside of Canada. It may not be possible to enforce, against such persons or such corporation, any judgments obtained in Canadian courts predicated on the civil liability provisions of the applicable securities laws in Canada. For these reasons, which are only summaries thereof, an investment herein is suitable only to those investors who are willing to rely solely on the management of the Corporation

and who can afford to lose all of their investment. See “Business of the Corporation”, “Capitalization”, “Use of Proceeds”, “Distribution” and “Risk Factors”.

The Corporation currently intends to pursue a Qualifying Transaction through the acquisition of a business or Significant Asset as hereinafter defined, however there is no assurance that this will in fact be the business sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.

The Exchange may suspend from trading or delist the Common Shares if the Corporation fails to complete a Qualifying Transaction (as defined herein) within twenty-four (24) months following the date the Common Shares are listed on the Exchange. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the Commissions issuing an interim cease trade order against the Corporation. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and outstanding shares of the Corporation held by Insiders, as defined hereinafter, which have been purchased at a discount from the IPO price.

Maximum Investment

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% or 80,000 of the total number of Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% or 160,000 of the total number of Common Shares offered under this prospectus.

Receipt of Subscriptions

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

No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this prospectus.

**Haywood Securities Inc.
Bay Wellington Tower, Brookfield Place
181 Bay Street, Suite 2910
Toronto, ON M5J 2T3**

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GLOSSARY

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

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

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

A Company is “controlled” by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

“**Agency Agreement**” means the agency agreement dated July 28, 2017 between the Corporation and the Agent.

“**Agent**” means Haywood Securities Inc.

“**Agent's Warrants**” means the non-transferable warrants to be granted by the Corporation to the Agent entitling the Agent to acquire 400,000 Common Shares, which is the number of Common Shares equal to 10% of the total number of Common Shares sold in connection with this Offering, at a price of \$0.10 per Common Share and exercisable for a period of 24 months from the date of listing the Common Shares on the Exchange.

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

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

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

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

“**Associate**” when used to indicate a relationship with a Person, means

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person who is an individual,
 - (i) that Person's spouse or child, or
 - (ii) any relative of the 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 Exchange's Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

“**Board of Directors**” means the board of directors of the Corporation.

“**CBCA**” means the Canada Business Corporations Act, as amended from time to time.

“**Commissions**” has the meaning ascribed to it on the cover page of this prospectus.

“**Common Shares**” means the common shares in the capital stock of the Corporation.

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

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

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

“**Corporation**” means Duckworth Capital Corp.

“**CPC**” means a corporation:

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

“**CPC Policy**” has the meaning ascribed thereto on the cover page of this prospectus.

“**Escrow Agreement**” has the meaning ascribed thereto under “Escrow Securities”.

“**Exchange**” means the TSX Venture Exchange Inc.

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

“**Insider**” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an Insider 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.

“**IPO**” means initial public offering.

“**Majority of the Minority Approval**” means the approval of a Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) Non Arm’s Length Parties to the CPC;

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

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

"NEX" means the separate trading board of the Exchange which provides a trading market for the securities of an issuer that has ceased to meet the Tier 2 maintenance requirements of the Exchange.

"Non Arm's Length Party" means, in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any such Persons, or another entity or an Affiliate of that entity, if that entity or its Affiliate has the same promoter, officer, director, Insider or Control Person, and in relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

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

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

"Person" means a Company or individual.

"Principal" means:

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

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

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

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

"**Pro Group**" has the meaning given under the policies of the Exchange, and generally includes Members of the Exchange and their Affiliates, partners, directors, officers and employees, as well as their respective Associates and any other Person or party determined by the Exchange in its discretion to not be acting at arm's length to such Members of the Exchange.

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

"**Related Party Transaction**" has the meaning ascribed to the term 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 that exists upon issuance of the Final Exchange Bulletin.

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

"**Seed Shares**" means the 8,050,000 Common Shares issued and outstanding prior to the Offering.

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

"**Sponsor**" has the meaning ascribed thereto in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"**Sponsorship Acknowledgment Form**" has the meaning ascribed thereto in Exchange Policy 2.2 — *Sponsorship and Sponsorship Requirements*.

"**Stock Option Plan**" means the Corporation's incentive stock option plan.

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

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

PROSPECTUS SUMMARY

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

Offering: A total of 4,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per share. The Offering is made on a commercially reasonable efforts basis. In addition, the Corporation will grant to the Agent warrants entitling the Agent to acquire 400,000 Common Shares, at a price of \$0.10 per Common Share and exercisable for a period of 24 months from the date of listing the Common Shares on the Exchange, which warrants are qualified for distribution under this prospectus. See “Plan of Distribution – Name of Agent and Agent’s Compensation”.

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. Any Qualifying Transaction must be approved by the Exchange, and in the case of a Non-Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash, sales taxes recoverable and deferred share issuance costs. An acquisition financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders’ interests in the Corporation to be reduced. See “Business of the Corporation”.

Use of Proceeds: The net proceeds to the Corporation will be \$360,000, after deducting the Agent’s commission but before deducting expenses of the Offering estimated at \$57,750 (inclusive of the listing fee to the Exchange and the Agent’s fees and expenses). The net proceeds of this Offering will be used to provide the Corporation with funds to be used 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 business or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized from the sale of all securities issued by the Corporation and \$210,000, may be used for purposes other than evaluating businesses or assets with a view to completing a Qualifying Transaction. See “Use of Proceeds”, “Business of the Corporation - Method of Financing” and “Risk Factors”.

Directors and Management: James Megann – Director
Carl Sheppard – Director and President
Robert Randall – Chief Financial Officer and Secretary
Paul Sparkes – Director
Wade Dawe is considered to be a promotor of the Corporation. See “Directors, Officers and Promoters”.

Escrow Provisions: All of the 8,050,000 currently issued and outstanding Common Shares will be deposited in escrow pursuant to the terms of the Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “Escrow Securities”.

Risk Factors: Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation’s business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets

other than cash, sales taxes recoverable and deferred share issuance costs. It does not have a history of earnings, it has not paid any dividends and it will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is suitable only to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will devote only part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation may 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 approximately \$0.033 per share or 33%, prior to deduction of selling commissions and related expenses. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. 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. See "Risk Factors".

THE CORPORATION

Duckworth Capital Corp. was incorporated under the CBCA on May 1, 2017. The head office and the registered office of the Corporation are located at Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, Halifax, Nova Scotia.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As at May 31, 2017, the Corporation has incurred administrative or development expenses of approximately \$16,250 representing the costs of incorporation and organization, the issue of the Seed Shares and filing fees. The Corporation has incurred expenses of approximately \$15,000 for the period post May 31, 2017, representing the costs of organization, audit fees, filing fees and this Offering. Part of the net proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel and the Agent's legal counsel. The Corporation has agreed to pay the Agent's expenses related to the Offering including reasonable fees and disbursements of Agent's counsel and searches, up to \$10,000. The Corporation has also agreed to pay to the Agent a corporate finance fee of \$10,000 plus HST on closing of the Offering. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests and does not own any assets, other than cash, sales taxes recoverable and deferred share issuance costs. **The Corporation currently intends to pursue a Qualifying Transaction through the acquisition of a business or Significant Asset, however there is no assurance that this will in fact be the business sector of a proposed Qualifying Transaction or of the Corporation following completion of the Qualifying Transaction.** See "Potential Qualifying Transaction".

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

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

Method of Financing

The Corporation may use either cash, bank financing, other secured or unsecured loans, the issuance of treasury shares, private or public financing of debt or equity, or a combination thereof, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interests 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. All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. The Board of Directors will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors.

Process of Identification of a Qualifying Transaction

The Corporation proposes to identify acquisitions of interests in assets or businesses through discussions with various contacts of certain of the officers and directors of the Corporation. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which it may acquire an interest in the assets or business.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "Business of the Corporation - Trading Halts, Suspensions and Delisting". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange and the applicable securities regulatory authorities either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction or where a shareholders' approval is otherwise required. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction or where shareholders' approval is not otherwise required to be obtained. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the assets or business to be acquired and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and TSX-V Form 3B1, in the case of an information circular, or TSX-V Form 3B2 in the case of a filing statement. Upon acceptance by the Exchange and the applicable securities regulatory authorities, the Corporation must then either:

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

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

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

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

Potential Qualifying Transaction

The Corporation intends to focus on developing a Qualifying Transaction with a business or assets. The Corporation has had preliminary discussions with several businesses to determine whether there is a mutual interest in the Corporation concluding an acquisition. None of these discussions have progressed to the point where the Corporation is close to having an Agreement in Principle or where any particular acquisition would be described as probable.

Initial Listing Requirements

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

Trading Halts, Suspension and Delisting

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

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

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

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the Corporation within 24 months of the date of listing. If the Common Shares of the Corporation are delisted by the Exchange, then within 90 days from the date of such delisting, the Corporation shall wind up and liquidate its assets pursuant to the CBCA and shall make a pro rata distribution of its remaining assets to its shareholders unless, within that 90 day period and pursuant to a majority vote of shareholders, exclusive of the vote of Non Arm's Length Parties to the Corporation, the shareholders determine to deal with the remaining assets in some other manner. See "Business of the Corporation - Filings and Shareholders' Approval of a Non Arm's Length Qualifying Transaction".

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a member firm of the Exchange;

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

USE OF PROCEEDS

Proceeds and Principal Purposes

- (a) The gross proceeds received by the Corporation from the sale of 8,050,000 Common Shares prior to the date of this prospectus amount to \$402,500.
- (b) The Corporation incurred expenses and costs totalling approximately \$16,250 with respect to incorporation and organization of the Corporation (including the issue of the Common Shares referred to in (a) above) and filing fees.
- (c) The gross proceeds to be received by the Corporation from the sale of the Common Shares distributed under this prospectus amount to \$400,000.
- (d) The expenses and cost of this Offering, including the Agent's commission, the Agent's corporate finance fee and listing fees, incurred to date and expected to be incurred, amount to \$97,750.
- (e) The Corporation estimates that an amount of \$673,500 will be available to it from the sale of the Common Shares distributed under this prospectus and prior sales of Common Shares.

The following indicates the principal uses which the Corporation proposes for the total funds available to it upon the completion of this Offering, a portion of which has already been spent, as reflected in the Corporation's statement of financial position as at May 31, 2017, which is set out at page 36 of this prospectus:

	Offering
Cash proceeds raised prior to this Offering ⁽¹⁾	\$402,500
Expenses and costs relating to raising the cash proceeds	(16,250)
Cash proceeds to be raised pursuant to this Offering ⁽²⁾	400,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses) ⁽³⁾	<u>(112,750)</u>
Estimated funds available (on completion of the Offering)⁽²⁾	<u>\$673,500</u>
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾	\$593,500
Estimated general and administrative expenses until completion of a Qualifying Transaction	80,000
TOTAL NET PROCEEDS	<u>\$673,500</u>

(1) See "Prior Sales".

- (2) In the event the Agent exercises the Agent's Warrants, there will be available to the Corporation an additional \$40,000 which will be added to the working capital of the Corporation. There is no assurance that the Agent's Warrants will be exercised.
- (3) Of this amount, approximately \$15,000 has been incurred to date. See "Preliminary Expenses" and the Corporation's statement of financial position as at May 31, 2017.
- (4) In the event that the Corporation enters into an Agreement in Principle prior to spending the amount of funds available for identifying and evaluating assets or business prospects, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Corporation's purposes, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian 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 be sufficient only to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

Permitted Use of Funds

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

The proceeds may be used for expenses incurred for the preparation of: (a) valuations or appraisals; (b) business plans; (c) feasibility studies and technical assessments; (d) sponsorship reports; (e) engineering or geological reports; (f) financial statements, including audited financial statements; (g) fees for legal and accounting services; and (h) Agent's fees, costs and commissions, relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval, if applicable, for the Corporation's proposed Qualifying Transaction.

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

Restrictions on Use of Proceeds

Subject to approval by the Exchange, until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and \$210,000 will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "Permitted Uses of Funds" listed above, include: (a) listing and filing fees (including SEDAR fees); (b) other costs for the issuance of securities (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and (c) administrative and general expenses of the Corporation, including: (i) office supplies, office rent and related utilities; (ii) printing costs (including the printing of this prospectus and share certificates); (iii) equipment leases; and (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds". No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the

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

Prohibited Payments to Non Arm's Length Parties

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Corporation has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to a Person engaged in investor relations activities, by any means, including: (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses; and (b) deposits and similar payments. Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

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

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

PLAN OF DISTRIBUTION

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 to the public on a commercially reasonable efforts basis to the public of 4,000,000 Common Shares, as provided in this prospectus, at a price of \$0.10 per Common Share, for gross proceeds of \$400,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission equal to 10% of the aggregate gross proceeds from the sale of the Common Shares. The Corporation will also pay to the Agent the reasonable fees and disbursements of counsel to the Agent incurred in connection with this Offering, up to \$10,000. The Agent will also be paid a due diligence fee of \$10,000 plus HST.

Subject to completion of the Offering, the Corporation has also agreed to grant to the Agent non-transferable Agent's Warrants to purchase 400,000 Common Shares, at an exercise price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the date the Common Shares of the Corporation are listed on the Exchange. All of the Agent's Warrants are qualified under this prospectus. 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 its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation.

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

Commercially Reasonable Efforts Offering

The Offering is for 4,000,000 Common Shares at a price of \$0.10 per share for total gross proceeds of \$400,000. The Offering price was determined by negotiation between the Corporation and the Agent. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% of the total number of Common Shares in the Offering, representing a limit of 80,000 Common Shares. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% of the total number of Common Shares under the Offering representing a limit of 160,000 Common shares. The funds received from the Offering will be held by the Agent and will not be released until all proceeds from the Offering have been deposited and the Agent consents to the release thereof been deposited. Subscriptions for 4,000,000 Common Shares for aggregate gross proceeds of \$400,000 must be raised within 90 days of the date a receipt for the final prospectus is issued, or such other time as may be authorized by the Commissions and consented to by the Agent and Persons 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

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Warrants, the Corporation does not propose to distribute any other securities in connection with this Offering.

Determination of Price

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

Listing Application

The Exchange has conditionally accepted for listing the Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

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

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the Pro Group, including the participants referred to above, is 20% of the issued and outstanding Common Shares, exclusive of Common Shares reserved for issuance at a future date.

Subject to. (i) compliance with any applicable client priority rules, and (ii) applicable restrictions for the Offering described under "Plan of Distribution — Commercially Reasonable Efforts Offering", such participants are permitted to subscribe for Common Shares pursuant to this Offering. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be subject to a four month hold period and the securities certificates will be legended accordingly as prescribed in Exchange Policy 3.2 — Filing Requirements and Continuous Disclosure.

Restrictions on Trading

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

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 8,050,000 are issued and outstanding as fully paid and non-assessable Common Shares. In addition, 4,000,000 Common Shares are reserved for issuance under this prospectus and 400,000 Common Shares are reserved for issuance under the Agent's Warrants. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable. See "Plan of Distribution".

The holders of the Common Shares are entitled to: (a) vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote; (b) receive any dividend, if, as and when declared by the Board of Directors; and (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, receive the remaining property of the Corporation upon dissolution, liquidation or winding-up of the Corporation as is distributable to the holders of the Common Shares.

Preferred Shares

The Corporation is also authorized to issue an unlimited number of preferred shares, none of which are currently issued and outstanding. The preferred shares may be issued in one or more series, with such rights and conditions as may be determined by the Board of Directors. There are no voting rights attached to the preferred shares except as prescribed by law. The preferred shares will rank ahead of the Common Shares with respect to the payment of dividends and return of capital in the event of the liquidation, dissolution or other distribution of assets of the Corporation for the purpose of winding-up its affairs.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation on an unaudited basis as at May 31, 2017 and the pro forma capitalization after giving effect to this Offering assuming the distribution of all Common Shares offered:

<u>Designation of security</u>	<u>Amount Authorized</u>	<u>Outstanding as at May 31, 2017⁽¹⁾</u>	<u>Outstanding as at the date of this Prospectus</u>	<u>Amount to be outstanding after giving effect to the Offering⁽²⁾⁽³⁾</u>
Common Shares	Unlimited	\$393,750 (8,050,000 Common Shares)	\$393,750 (8,050,000 Common Shares)	\$696,000 (12,050,000 Common Shares)

(1) As at May 31, 2017, the date of most recent statement of financial position of the Corporation, which is contained in this prospectus, the Corporation has not commenced commercial operations.

(2) The Board of Directors has reserved an aggregate of 400,000 Common Shares at \$0.10 per share pursuant to the Agent's Warrants. The Agent's Warrants may be exercised for a period of 24 months from the date of the listing of Common Shares on the Exchange. See "Plan of Distribution".

(3) Proceeds after giving effect to the Offering amount to \$673,500, after deducting the estimated expenses of the Offering estimated to be \$112,750. See "Use of Proceeds – Proceeds and Principal Purposes".

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Corporation is not granting stock options at this time. The Board of Directors of the Corporation has adopted the Stock Option Plan. Under the Stock Option Plan, the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees and technical consultants of the Corporation, non-transferable options to purchase Common Shares, or such other shares as may be substituted therefore, exercisable for a period of up to five (5) years from the date of grant.

The number of Common Shares reserved for issuance under the Stock Option Plan, together with any other share compensation arrangements that the Corporation may adopt from time to time, is equal to 10% of the issued and outstanding Common Shares of the Corporation from time-to-time, except that so long as the Corporation remains a CPC, the number of Common Shares reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares of the Corporation upon the closing of the Offering.

The aggregate number of Common Shares reserved for issuance to any one individual under the Stock Option Plan will not exceed 5% of the issued and outstanding Common Shares. The aggregate number of Common Shares reserved for issuance to any one technical consultant under the Stock Option Plan will not exceed 2% of the issued and outstanding Common Shares.

Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of such position was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrow Securities".

The CPC Policy imposes certain restrictions on stock options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin:

- (a) stock options under the Stock Option Plan or any other plan of the Corporation shall only be granted to directors, officers and technical consultants of the Corporation;
- (b) stock options granted under the Stock Option Plan or any other plan of the Corporation shall only entitle the holder to acquire Common Shares;
- (c) the maximum number of common shares reserved under option for issuance to any individual director or officer shall not exceed five percent (5%) of the Common Shares to be outstanding at the closing of the Offering;
- (d) the number of Common Shares reserved for issuance to all technical consultants under the Stock Option Plan or any other plan of the Corporation shall not exceed 2% of the issued and outstanding Common Shares;
- (e) the Corporation is prohibited from granting options to any person providing investor relations activities, promotional or market-making services;
- (f) options granted to any person that does not continue as a director, officer or employee of the resulting issuer have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after such person ceases to become a director, officer or employee of the Resulting Issuer;
- (g) the exercise price per Common Share under any stock option granted by the Corporation while it is a CPC may not be less than the greater of \$.10 and the Discounted Market Price (as defined under Exchange policies);

- (h) no stock option granted may be exercised before the Completion of the Qualifying Transaction unless the optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin; and
- (i) any Common Shares acquired pursuant to the exercise of stock options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject in escrow until the Final Exchange Bulletin is issued. See “Escrowed Securities”.

The Corporation may demand that Stock Option Plan participants exercising options must remit to the Corporation sufficient additional funds to cover the Corporation’s tax withholding obligations unless the participant makes other arrangements with the Corporation to cover the withholding obligation. Such other arrangements may in the Corporation’s discretion include the Corporation lending the funds to the participant on terms that may include repayment of the loan in whole or in part by the Corporation withholding from the participant’s future compensation.

PRIOR SALES

Since the date of incorporation, the Corporation has issued 8,050,000 Common Shares, as follows:

<u>Date</u>	<u>Number of Common Shares⁽¹⁾</u>	<u>Issue price per share</u>	<u>Aggregate issue price</u>	<u>Nature of Consideration received</u>
May 1, 2017	1	\$0.05	\$0.05	cash
May 25, 2017	8,049,999	\$0.05	\$402,499.95	cash

(1) All of these 8,050,000 Common Shares are held in escrow until the Final Exchange Bulletin is issued by the Exchange. See “Escrow Securities”.

ESCROW SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 8,050,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Computershare Investor Services Inc. under an escrow agreement dated July 28, 2017 (the “Escrow Agreement”).

All Common Shares acquired on exercise of stock options prior to the completion of the Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. In addition, all Common Shares acquired in the secondary market prior to the completion of the Qualifying Transaction by any Person who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

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

<u>Name and municipality of residence of shareholder</u>	<u>Common Shares</u>	<u>Number of Common Shares held in escrow</u>	<u>Percentage of Common Shares prior to giving effect to the Offering</u>	<u>Percentage of Common Shares after giving effect to Offering⁽¹⁾</u>
Strategic Concepts Inc. ⁽²⁾ St. John’s, NL	1,000,000	1,000,000	12.42%	8.30%
Salt Box Capital Inc. ⁽³⁾ Toronto, ON	1,000,000	1,000,000	12.42%	8.30%

Robert Randall Halifax, NS	300,000	300,000	3.73%	2.49%
Jennifer Horton Bedford, NS	100,000	100,000	1.24%	0.83%
Heather Pomeroy Halifax, NS	50,000	50,000	0.62%	0.41%
Paul Thomson Dartmouth, NS	50,000	50,000	0.62%	0.41%
John St. Capital Inc. ⁽⁴⁾ Halifax, NS	1,800,000	1,800,000	22.36%	14.94%
Brigus Capital Inc. ⁽⁵⁾ Halifax, NS	1,400,000	1,400,000	17.39%	11.62%
Blue Ridge Resources Inc. ⁽⁶⁾ Halifax, NS	1,400,000	1,400,000	17.39%	11.62%
Neil Smith Halifax, NS	500,000	500,000	6.21%	4.15%
Dan Whittaker Halifax, NS	100,000	100,000	1.24%	0.83%
Numus Financial Inc. ⁽⁷⁾ Halifax, NS	200,000	200,000	2.48%	1.66%
Don Oliver Halifax, NS	100,000	100,000	1.24%	0.83%
Sarah Oliver Halifax, NS	50,000	50,000	0.62%	0.41%
Total	8,050,000	8,050,000	100%	66.80%

(1) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants.

(2) A company controlled by Carl Sheppard.

(3) A company controlled by Paul Sparkes.

(4) A company controlled by James Megann.

(5) A company controlled by Wade Dawe.

(6) A company controlled by Kelly Dawe.

(7) A company controlled by James Megann and Wade Dawe.

Where the Common Shares which are required to be held in escrow are held by a Company, each 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 Company, without the consent of the Exchange. Any Company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the Company. In addition, the Exchange may require an undertaking from any Control Person of the Company not to transfer the shares of that Company.

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

If the Resulting Issuer meets the Exchange’s Tier 1 initial listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

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

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

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares; or
- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC at a discount from the IPO price, namely \$0.10 per Common Share, in accordance with section 11.2(a) of the CPC Policy, or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to \$0.10.

Escrowed Securities on Qualifying Transaction

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

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

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence	Type of Ownership	Number of Shares	Percentage of Shares Owned Before Offering	Percentage Owned After Offering ⁽¹⁾	Percentage Owned After Offering (Fully-Diluted) ⁽²⁾
Strategic Concepts Inc. ⁽³⁾ St. John's, NF	Direct	1,000,000	12.42%	8.3%	8.0%
Salt Box Capital Inc. ⁽⁴⁾ Toronto, ON	Direct	1,000,000	12.42%	8.3%	8.0%
John St. Capital. ⁽⁵⁾ Halifax, NS	Direct	1,800,000	22.36%	14.94%	14.46%
Brigus Capital Inc. ⁽⁶⁾ Halifax, NS	Direct	1,400,000	17.39%	11.62%	11.24%
Blue Ridge Resources Inc. ⁽⁷⁾ Halifax, NS	Direct	1,400,000	17.39%	11.62%	11.24%

(1) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants.

(2) On a fully diluted basis, assuming the exercise of all of the Agent's Warrants.

(3) A company controlled by Carl Sheppard.

(4) A company controlled by Paul Sparkes.

(5) A company controlled by James Megann. Excludes the 200,000 Common Shares held by Numus Financial Inc., a company controlled by James Megann and Wade Dawe.

(6) A company controlled by Wade Dawe. Excludes the 200,000 Common Shares held by Numus Financial Inc., a company controlled by James Megann and Wade Dawe.

(7) A company controlled by Kelly Dawe. Kelly Dawe is the spouse, and therefore, an Associate of Wade Dawe.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation, Security Holding and Involvement with other Reporting Issuers

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

Name, age, municipality of residence and position	Principal occupation and positions held ⁽¹⁾	Common shares held ⁽²⁾	Percentage after completing Offering ⁽³⁾
Carl Sheppard Age: 54 years old St. John's, Newfoundland <i>President and Director</i>	President and Managing Partner of Strategic Concepts Inc., a business planning and advisory company.	1,000,000 ⁽⁴⁾	8.30%

<p>Paul Sparkes Age: 53 years old Toronto, Ontario <i>Director</i></p>	<p>President of Otterbury Holdings Inc., a strategic advisory firm, President of Salt Box Holdings Inc., an investment company. Board member of Antler Gold Inc. and Bluedrop Performance Learn Learning Inc. and Executive Vice Chair and co-Founder of Difference Capital Financial Inc., a finance company.</p>	1,000,000 ⁽⁵⁾	8.30%
<p>James Megann Age: 52 years old Fall River, Nova Scotia <i>Director</i></p>	<p>President and CEO of Stockport Exploration Inc., a mineral exploration company and Managing Director, Numus Financial Inc. a venture capital firm.</p>	2,000,000 ⁽⁶⁾	16.60%
<p>Robert Randall Age: 54 years old Halifax, Nova Scotia <i>Chief Financial Officer and Secretary</i></p>	<p>Chief Financial Officer of Stockport Exploration Inc. and Antler Gold Inc., (mineral exploration companies) and Torrent Capital Ltd. an investment company. Former Chief Financial Officer of Graphene 3D Lab Inc. and Canabo Medical Inc.</p>	300,000	2.49%
<p>Wade Dawe Age: 47 years old Halifax, Nova Scotia <i>Promoter</i></p>	<p>Chairman and Chief Executive Officer, Fortune Bay Corp., a mineral exploration company.</p>	1,600,000 ⁽⁷⁾	13.28%

- (1) Each of the directors and officers have held these positions for five years other than as described in the résumés that follow.
- (2) Number of Common Share beneficially owned, directly or indirectly, or over which control or direction is exercised.
- (3) Assuming that no Common Shares are purchased by these shareholders under the Offering and before the exercise of the Agent's Warrants.
- (4) Held by Strategic Concepts Inc., a company controlled by Carl Sheppard.
- (5) Held by Salt Box Capital Inc., a company controlled by Paul Sparkes.
- (6) 1,800,000 Common Shares held by John St. Capital Inc., a company controlled by James Megann, and 200,000 Common Shares held by Numus Financial Inc. a company controlled by James Megann and Wade Dawe.
- (7) 1,400,000 held by Brigus Capital Inc., a company controlled by Wade Dawe, and 200,000 Common Shares held by Numus Financial Inc.. a company controlled by James Megann and Wade Dawe.

All of the directors and officers currently have employment outside of the Corporation and will devote such time as is required to the affairs of the Corporation, although it is contemplated that each of the following persons will initially be available to devote the following percentage of his time to the affairs of the Corporation: Carl Sheppard (10%), Paul Sparkes (10%), James Megann (10%), Robert Randall (15%) and Wade Dawe (5%).

The following are brief résumés of the directors and officers of the Corporation:

Carl Sheppard

Mr. Sheppard is the President and Managing Partner of Strategic Concepts Inc., a business planning and advisory company. At Strategic Concepts, Mr. Sheppard is responsible for overseeing the company's strategic planning, economic modelling and financial feasibility consulting services. Mr. Sheppard has provided consulting services to numerous new and expanding resource development companies operating in Canada. Mr. Sheppard serves as Chairman of the Board of Directors of Stockport Exploration Inc.

Paul Sparkes

Mr. Sparkes is an accomplished business leader with over twenty five years' experience in media, public affairs, finance, capital markets and Canada's political arena. He is Currently President of Otterbury Holdings Inc., a corporation advising growth entities in private and public markets. Most recently Mr. Sparkes was Executive Vice Chair, Director and co-founder of Difference Capital Financial, a TSX-listed specialty finance company that invests in media, technology, health care and U.S. real estate. Previously, Mr. Sparkes was Executive Vice President, Corporate Affairs for CTVglobemedia (now Bellmedia). Prior to joining Bell Globemedia in 2001 as Group Vice-President, Public Affairs, Mr. Sparkes held senior positions in the public service, including with the Government of Canada and the Government of Newfoundland and Labrador. From 1996 to 2001, he served in the Office of the Prime Minister of Canada as Director of Operations, and Special Assistant for Atlantic Canada. Mr. Sparkes also served as Executive Assistant to two Premiers of Newfoundland and Labrador. Mr. Sparkes sits on several public and private boards, including Thunderbird Entertainment (private), Bluedrop Performance Learning Inc. (TSXV: BPL), Antler Gold Inc (TSXV:ANTL.V) BlastGard International Inc (BLGA-US) and is Chairman of the Board and Founder of the Smiling Land Foundation (private). Educated in Quebec and Newfoundland, Mr. Sparkes holds a Bachelor of Arts in Political Science from Memorial University.

James Megann

Mr. Megann is Managing Director at Numus Financial Inc., a venture capital firm based in Halifax, Nova Scotia. Mr. Megann is also President and CEO of Stockport Exploration Inc., a mineral exploration company, and is a Director of Torrent Capital Ltd. and Antler Gold Inc. He has also worked as a senior consultant on government and community relations programs. In addition to his professional experience, Mr. Megann participates on the executive board of Young Adult Cancer Canada, an organization dedicated to supporting Canadians under 40 suffering from cancer.

Robert Randall

Mr. Randall has served as a CFO for a number of TSXV-listed companies over the past five years and has extensive public company financial experience. Previously, he was the Corporate Controller for Etruscan Resources Inc. and a principal with PricewaterhouseCoopers. Mr. Randall graduated with a Commerce Degree from St. Mary's University in Halifax and obtained his CA designation in 1987 with Coopers and Lybrand Chartered Accountants where he was appointed as a Principal in 1995. He is a CFO of Stockport Exploration Limited since June, 2012, Antler Gold Inc. since November, 2016, and Torrent Capital Ltd. since August, 2016. He has previously been a CFO of NSGold Corporation from April, 2012 to November, 2014; Ceylon Graphite Corp. from July, 2012 to October, 2013; Kneat.com inc. from June, 2014 to November, 2014; Graphene 3D Lab Inc. from August, 2014 to July, 2016; and Canabo Medical Inc. from November, 2016 to June, 2017. He is a member of the Chartered Professional Accountants of Canada and Nova Scotia and the Chair of the Board of the Nova Scotia Sport Hall of Fame.

Wade Dawe

Mr. Dawe has been an entrepreneur in Canadian mining and venture capital industries since 1994. He is currently a director of Immunovaccine Inc., kneat.com, inc., Torrent Capital Ltd., and Chairman of Pivot Technology Solutions, Inc. He was previously the Chairman and Chief Executive Officer of Brigus Gold Corp. and the Chairman of Stockport Exploration Inc. Mr. Dawe has a Bachelor of Commerce degree from Memorial University of Newfoundland in 1992, where he currently serves on the Advisory Board to the Faculty of Business Administration. Mr. Dawe's philanthropic activities include establishing and personally funding the annual James R. Pearcey Entrepreneurial Scholarship at Memorial University. Mr. Dawe, a native of Newfoundland and Labrador, is also a member of the Young Presidents' Organization (YPO), an international organization for business leaders.

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 possess the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

As a group, the directors and officers of the Corporation, and their Associates and Affiliates, beneficially own, directly or indirectly, or exercise control or direction over 4,300,000 Common Shares of the Corporation, which represents 53.4% of

the issued and outstanding Common Shares prior to this Offering. They will represent 35.7% of the issued and outstanding Common Shares after the Offering, assuming no Common Shares are purchased by any director or officer of the Corporation and before the exercise of the Agent's Warrants. The promotor of the Corporation beneficially owns, directly or indirectly, or exercises control or direction over, 1,600,000 Common Shares of the Corporation representing 19.9% of those outstanding before the Offering and 13.3% of those outstanding after the Offering.

The audit committee of the Board of Directors of the Corporation is comprised of Messrs. Megann, Sheppard and Sparkes. Until such time as the Corporation completes a Qualifying Transaction, the Board of Directors of the Corporation as a whole will deal with all matters pertaining to compensation and corporate governance. Following completion of a Qualifying Transaction, the Corporation expects to increase the size of the Board of Directors and form individual committees to deal with compensation and corporate governance.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction.

<u>Name</u>	<u>Name of reporting issuer</u>	<u>Name of exchange of market (if applicable)</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Carl Sheppard	Stockport Exploration Inc.	TSX-V	Director	January, 2006	Present
Paul Sparkes	Difference Capital Financial Inc.	TSX	Director	May, 2012	July, 2014
	Diversified Royalty Corp.	TSX	Director	June, 2014	August, 2014
	Bluedrop Performance Learning Inc.	TSX-V	Director	January, 2014	Present
	Breaking Data Corp.	TSX-V	Director	October, 2015	April, 2017
James Megann	Antler Gold Inc.	TSX-V	Director	November, 2016	Present
	Stockport Exploration Inc.	TSX-V	Director/Senior Officer	April, 2012	Present
	Ceylon Graphite Corp.	TSX-V	Director	July, 2012	July, 2014
	Torrent Capital Ltd.	TSX-V	Director	August, 2013	Present
Robert Randall	Antler Gold Inc.	TSX-V	Director	August, 2016	Present
	NSGold Corporation	TSX-V	Senior Officer	April, 2012	November, 2014
	Stockport Exploration Inc.	TSX-V	Senior Officer	June, 2012	Present
	Ceylon Graphite Corp.	TSX-V	Senior Officer	July, 2012	October, 2013
	kneat.com inc.	TSX-V	Senior Officer	June, 2014	November, 2014

	Graphene 3D Lab Inc.	TSX-V	Senior Officer	August, 2014	July, 2016
	Canabo Medical Inc.	TSX-V	Senior Officer	November, 2016	June, 2017
	Antler Gold Inc.	TSX-V	Senior Officer	November, 2016	Present
	Torrent Capital Ltd.	TSX-V	Senior Officer	August, 2016	Present
Wade Dawe	Ceylon Graphite Corp.	TSX-V	Director	January, 2008	June, 2013
	Torrent Capital Ltd.	TSX-V	Director/Senior Officer	August, 2013	Present
	kneat.com, inc.	TSX-V	Director	March, 2014	Present
	Immunovaccine Inc.	TSX	Director	September, 2014	Present
	Fortune Bay Corp.	TSX-V	Director/Senior Officer	June, 2016	Present
	Pivot Technology Solutions, Inc.	TSX	Director	June, 2016	Present
	Stockport Exploration Inc.	TSX-V	Director	July, 2006	April, 2016
	Brigus Gold Corp.	TSX	Director/Senior Officer	June, 2010	March, 2014

Corporate Cease Trade Orders or Bankruptcies

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

Penalties or Sanctions

No director, officer or promoter of the Corporation, or 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 any 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 be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer 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 personal holding company of any such persons, has within the past ten years, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflict of Interest

There are potential conflicts of interest to which some of the directors, officers, insiders and promoter of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoter are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some 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 CBCA.

Promoter

Mr. Wade Dawe of Halifax, Nova Scotia is a promoter of the Corporation. Mr. Dawe beneficially owns, directly or indirectly, or exercise control or direction over 1,600,000 Common representing 19.9% of those outstanding before the Offering and 13.3% of those outstanding after the Offering. Mr. Dawe will not receive any compensation in his capacity as promoter of the Corporation. See "Principal Shareholders".

EXECUTIVE COMPENSATION

Remuneration

Except as set out below or otherwise permitted by the CPC Policy and disclosed in this prospectus, prior to completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any Person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including: (a) remuneration, which includes but is not limited to: (i) salaries; (ii) consulting fees; (iii) management contract fees or directors' fees; (iv) finders fees; (v) loans, advances, bonuses; and (b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("Permitted Reimbursement"). No reimbursement may be made for any payment made to lease or buy a vehicle. Since its incorporation, the Corporation has not incurred any such expenses.

The directors and officers of the Corporation will be eligible to receive stock options under the Stock Option Plan as set out under "Options to Purchase Securities".

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

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 33% or \$0.033 per Common Share on the basis of there being 12,050,000 Common Shares of the Corporation issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

RISK FACTORS

The following is a list of risk factors that a prospective investor should consider before subscribing for Common Shares, which list is not exhaustive:

Recent Incorporation

The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash, sales taxes recoverable and deferred share issuance costs. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

Nature of Business

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.

Conflicts of Interest

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.

Dilution

Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment 33% or \$0.033 per Common Share. See "Dilution".

Absence of Liquid Market

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.

Limitations on Business

Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

Limited Funds

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.

Completion of Qualifying Transaction

Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction. Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, the Majority of the Minority Approval.

Absence of Right to Dissent

Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no right to dissent and no entitlement to payment by the Corporation of the fair value for the Common Shares.

Halts in Trading

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares 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 will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction.

Trading in the Common Shares 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.

Suspension of Trading or Delisting

The Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing.

Merits of the Qualifying Transaction

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

Foreign Business

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

Dilution upon Qualifying Transaction

The Qualifying Transaction may be financed in all or in part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.

Recovery of Loans

Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Manning Elliot LLP, 11th Floor - 1050 W Pender St, Vancouver, BC V6E 3S7.

Computershare Investor Services Inc., at its principal offices in Halifax and Toronto, is the transfer & escrow agent and registrar for the Common Shares.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

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

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be performed by Stewart McKelvey, on behalf of the Corporation, and by Peterson McVicar LLP on behalf of the Agent. No partner of Stewart McKelvey or Peterson McVicar LLP has received or shall receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation. As at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Corporation or its Associates and Affiliates, but may subscribe for Common Shares pursuant to the Offering. In addition, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a promoter of the Corporation or of an Associate or Affiliate of the Corporation.

LEGAL PROCEEDINGS

The Corporation is not party to any legal proceedings nor, to the Corporation's knowledge, are any such proceedings contemplated or threatened.

MATERIAL CONTRACTS

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

- (a) Transfer Agent and Registrar Agreement dated July 28, 2017 between the Corporation and Computershare Investor Services Inc.;
- (b) Agency Agreement dated July 28, 2017 between the Corporation and the Agent, referred to under "Plan of Distribution"; and
- (c) Escrow Agreement dated July 28, 2017, among the Corporation, Computershare Investor Services Inc. and those shareholders that executed such Escrow Agreement, referred to under "Escrow Securities".

Copies of these agreements will be available for inspection at the offices of Stewart McKelvey, counsel to the Corporation, during ordinary business hours and will be available on the System for Electronic Document Retrieval and Analysis at www.sedar.com.

OTHER MATERIAL FACTS

There are no other material facts relating to the Common Shares that are not disclosed elsewhere in this prospectus and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stewart McKelvey, counsel to the Corporation, the Common Shares issued pursuant to the Offering, if, as and when listed on a designated stock exchange (which includes the Exchange), will be qualified investments under the Income Tax Act (Canada) and the regulations made thereunder in effect as of the date hereof (the "**Tax Act**") for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts ("**TFSAs**") (collectively, the "**Plans**") as defined under the Tax Act. The Corporation has advised counsel to the

Corporation that if the Common Shares are not listed on a designated stock exchange at the time of issue hereunder, the Corporation will file an election to be a public corporation with the Canada Revenue Agency before the date of issue hereunder such that the Common Shares will be qualified investments for such Plans notwithstanding that the Common Shares were not listed on a designated stock exchange at the time of issue hereunder.

Notwithstanding that the Common Shares may be a "qualified investment", the holder of a TFSA or the annuitant under a RRSP or RRIF, as the case may be, that holds Common Shares will be subject to a penalty tax if the Common Shares are a "prohibited investment," but not "excluded property," for purposes of the Tax Act for a particular Plan. The Common Shares will generally not be a "prohibited investment" provided the holder or the annuitant of the Plan, as the case may be, (i) deals at arm's length with the Corporation for purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act) in the Corporation. Generally, a holder or annuitant, as the case may be, will not have a significant interest in the Corporation provided the holder or annuitant, together with persons with whom the holder or annuitant does not deal at arm's length, does not own (and is not deemed to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the Corporation or of any other corporation that is related to the Corporation (for purposes of the Tax Act).

Prospective investors who intend to hold Common Shares in Plans should consult their own tax advisors regarding their particular circumstances and requirements and rules regarding holding and transferring securities therein, including with respect to whether the Common Shares would be a "prohibited investment" or "excluded property" in their particular circumstances.

PURCHASERS' STATUTORY RIGHTS AND RESCISSION OF WITHDRAWAL

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

FINANCIAL STATEMENTS

See attached

Duckworth Capital Corp.

(Capital Pool Company)

For the period from incorporation on May 1, 2017 to May 31, 2017

(Expressed in Canadian dollars)



INDEPENDENT AUDITORS' REPORT

To the directors of
Duckworth Capital Corp.

We have audited the accompanying financial statements of Duckworth Capital Corp. which comprise the statement of financial position as at May 31, 2017, and the statements of comprehensive loss, changes in equity and cash flows for the period from incorporation on May 1, 2017 to May 31, 2017 and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Duckworth Capital Corp. as at May 31, 2017, and its financial performance and its cash flows for the period from incorporation on May 1, 2017 to May 31, 2017 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Duckworth Capital Corp. to continue as a going concern.

/s/ "MANNING ELLIOTT LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 28, 2017

Duckworth Capital Corp.
(Capital Pool Company)
Statement of Financial Position
As at May 31, 2017
(Expressed in Canadian dollars)

	2017
	\$
Assets	
Current assets	
Cash held in trust	402,500
Deferred share issuance costs	9,750
	<hr/> 412,250 <hr/>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	26,000
	<hr/>
Equity	
Share capital (note 4)	393,750
Deficit	(7,500)
	<hr/> 386,250 <hr/>
	<hr/> 412,250 <hr/>

Nature of Operations and Going Concern (note 1)

Subsequent event (note 8)

Approved and authorized for issue on behalf of the Board on July 28, 2017

"James Megann", Director

"Carl Sheppard", Director

The accompanying notes form an integral part of these financial statements

Duckworth Capital Corp.
(Capital Pool Company)
Statement of Comprehensive Loss
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

	For the period ended May 31, 2017
	\$
Expenses	
Professional fees	7,500
Net loss and comprehensive loss for the period	7,500
Basic and diluted loss per share	(0.00)
Weighted average number of common shares outstanding	1,817,743

The accompanying notes form an integral part of these financial statements

Duckworth Capital Corp.
(Capital Pool Company)
Statement of Changes in Equity
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

	<u>Common shares</u>			
	Number of shares	Amount	Deficit	Total
		\$	\$	\$
Balance, May 1, 2017	1	-	-	-
Shares issued for cash	8,049,999	402,500	-	402,500
Share issue costs	-	(8,750)	-	(8,750)
Net loss for the period	-	-	(7,500)	(7,500)
Balance, May 31, 2017	8,050,000	393,750	(7,500)	386,250

The accompanying notes form an integral part of these financial statements

Duckworth Capital Corp.
(Capital Pool Company)
Statement of Cash Flows
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

	For the period ended May 31, 2017
	\$
Cash provided by (used in):	
Operating activities	
Net loss for the period	(7,500)
Changes in non-cash working capital balance:	
Increase in accounts payable and accrued liabilities	7,500
Cash provided by operating activities	-
Financing activity	
Proceeds from issuance of common shares	402,500
Cash provided by financing activity	402,500
Increase in cash	402,500
Cash, beginning of period	-
Cash held in trust, end of period	402,500
Supplemental cash flow disclosures:	
Income taxes paid	-
Interest paid	-

The accompanying notes form an integral part of these financial statements

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

1. Nature of operations and going concern

Nature of operations

Duckworth Capital Corp. (the "Corporation") was incorporated under the Canada Business Corporations Act on May 1, 2017. The Corporation is classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office and the registered head office of the Corporation are located at 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2.

The financial statements were approved by the Board of Directors on July 28, 2017.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation incurred a net loss for the period of \$7,500 and has no operations at this time which will generate revenue. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business. The Corporation is in the process of conducting an Initial Public Offering ("IPO") to raise gross proceeds of \$400,000 through the issuance of 4,000,000 common shares. See Note 8. Management cannot provide assurance that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital

The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Corporation to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

2. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of presentation

The financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale.

a) Share-based payments

The Corporation has a stock option plan that is described in note 4. The Corporation accounts for stock options using the fair value method by applying the Black Scholes model. The estimated fair value of all stock options granted is recorded in the statement of loss over their vesting periods.

b) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

c) Loss per share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Corporation applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

d) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

e) Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the measurement of deferred income tax assets and liabilities

Significant accounting judgments

- i. the evaluation of the Company's ability to continue as a going concern

f) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

Financial instruments comprise cash held in trust and accounts payable. At initial recognition management has classified financial assets and liabilities as follows:

Financial assets - The Corporation has classified its cash as held in trust at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Corporation manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Corporation's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

Financial liabilities - The Corporation has classified its accounts payable as other financial liabilities. Accounts payable are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

g) New Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Corporation may have been excluded from the list below. The Company is evaluating any impact the standards noted below may have on the Company's financial statements and this assessment has not been completed.

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

IFRS 15 *Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 9 *Financial Instruments* – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 2 *Share-based Payment* - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 *Leases* - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

3. Capital management

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the identification and evaluation of a QT and continue as a going concern. The Corporation considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds may be required to finance the Corporation's 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 up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities, or \$210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval to list its shares on the Exchange.

4. Share capital

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow shares:

As at May 31, 2017, there were 8,050,000 common shares in escrow.

c) Issued and Outstanding:

As at May 31, 2017: 8,050,000 common shares.

On May 26, 2017, the Corporation issued 8,050,000 common shares at \$0.05 per share, which are subject to an escrow agreement. These common shares will be held in escrow pursuant to the requirements of the Exchange and terms of escrow agreement and will be released from escrow in stages over a period of up to three years after the date of the Company receiving the final Exchange acceptance of the QT. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must also be deposited in escrow pursuant to the terms of the escrow agreement.

On May 2, 2017, the Corporation entered into a letter of intent to complete an initial public offering ("IPO") by issuing 4,000,000 common shares at \$0.10 per share via an agency agreement. As part of the agency agreement, the agent will be granted an option to acquire 10% of the common shares issued in connection with the IPO at a price of \$0.10 per common share exercisable for a period of 24 months from the date the Corporation's common shares are listed on the Exchange. The Agent will also receive a cash commission of 10% of gross proceeds, a corporate finance fee of \$10,000 and legal counsel expense reimbursement of \$10,000.

The IPO is subject to regulatory approval. See Note 8.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

4. Share capital (continued)

c) Stock option plan:

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term and are non-transferable. Unless otherwise determined by the Board of Directors, options vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

The stock option plan is subject to regulatory approval.

No options were issued during the period ended May 31, 2017.

5. Related party transactions

There were no transactions with related parties and no remuneration paid to key management personnel during the period from May 1, 2017, date of incorporation, to May 31, 2017. Key management personnel consists of officers and directors of the Corporation.

6. Financial instruments

Credit risk

The Corporation's financial asset is cash held in trust. The Corporation's maximum exposure to credit risk, as at period-end, is the carrying value of its financial asset. The Corporation manages credit risk by maintaining its cash in trust with the Corporation's lawyer.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2017, the Corporation had a cash balance of \$402,500 held in trust. The Corporation is in the process of conducting an IPO to raise additional funds. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

Duckworth Capital Corp.
(Capital Pool Company)
Notes to Financial Statements
For the period from incorporation on May 1, 2017 to May 31, 2017
(Expressed in Canadian dollars)

7. Income taxes

The Corporation's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 31% to the pre-tax net loss for the period. The reasons for the difference are as follows:

	2017
	\$
Loss before income taxes	7,500
Income tax recovery based on substantively enacted rates	2,325
Changes in tax benefits not recognized	(2,325)
Net deferred tax (recovery)	-

The tax effect of deductible and taxable temporary differences that give rise to the Corporation's deferred income tax assets and liabilities are shown below:

	2017
	\$
Non-capital loss carry forward	2,325

As at May 31, 2017, the Corporation has losses of approximately \$7,500 available for carry-forward to reduce future years' taxable income. These losses expire in 2037.

8. Subsequent event

On July 28, 2017, the Company filed a prospectus (the "Prospectus") in respect of an Initial Public Offering (the "Offering"). The Company has agreed to offer 4,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$400,000. In connection with the financing the Company entered into an Agency Agreement with Haywood Securities Inc. (the "Agent"). As described in note 4 c), the Company will pay the agent a cash commission of 10% of the gross proceeds of the Offering and will pay corporate finance fee consisting of \$10,000 cash and all reasonable out-of-pocket costs up to \$10,000. In addition, the Company has also agreed to grant non-transferable agent's warrants to the Agent entitling the Agent to purchase 10% of the number of common shares sold under the Offering at a price of \$0.10 for a period of two years from the date of closing the offering.

CERTIFICATE OF THE CORPORATION

July 28, 2017

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Subsection 61 of the *Securities Act* (Nova Scotia), Part 14 of the *Securities Act* (Newfoundland), Part 9 of the *Securities Act* (Alberta), Part 9 of the *Securities Act* (British Columbia), and Part 15 of the *Securities Act* (Ontario), and the respective regulations thereunder.

(Signed) “*Carl Sheppard*”
Chief Executive Officer

(Signed) “*Robert Randall*”
Chief Financial Officer

ON BEHALF OF THE BOARD

(Signed) “*Paul Sparkes*”
Director

(Signed) “*James Megann*”
Director

CERTIFICATE OF THE PROMOTER

July 28, 2017

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Subsection 61 of the *Securities Act* (Nova Scotia), Part 14 of the *Securities Act* (Newfoundland), Part 9 of the *Securities Act* (Alberta), Part 9 of the *Securities Act* (British Columbia), and Part 15 of the *Securities Act* (Ontario), and the respective regulations thereunder.

(Signed) "Wade Dawe"

Wade Dawe

Promotor

CERTIFICATE OF THE AGENT

July 28, 2017

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Subsection 61 of the *Securities Act* (Nova Scotia), Part 14 of the *Securities Act* (Newfoundland), Part 9 of the *Securities Act* (Alberta), Part 9 of the *Securities Act* (British Columbia), and Part 15 of the *Securities Act* (Ontario), and the respective regulations thereunder.

HAYWOOD SECURITIES INC.

Per: (Signed) "Campbell Becher"

Name: **Campbell Becher**

Title: Managing Director, Investment Banking