

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

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

PRELIMINARY PROSPECTUS

Initial Public Offering

June 30, 2017

REBEL CAPITAL INC.

(a capital pool company)

\$200,000

2,000,000 common shares

Price: \$0.10 per common share

The purpose of this offering (the “**Offering**”) is to provide Rebel Capital Inc. (the “**Corporation**”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the “**TSXV**” or the “**Exchange**”) and, in the case of a Non-Arm’s Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined) in accordance with Policy 2.4 of the TSXV Corporate Finance Manual (the “**CPC Policy**”). The Corporation is a capital pool company (a “**CPC**”) that has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction, the Corporation will not carry on business other than the identification and evaluation of businesses or assets with a view to completing a proposed Qualifying Transaction. See “*Business of the Corporation*” and “*Use of Proceeds*”.

This Offering is being conducted on a commercially reasonable efforts agency basis on behalf of the Corporation by Leede Jones Gable Inc. (the “**Agent**”) in the Provinces of Alberta, British Columbia and Ontario and is subject to the receipt by the Corporation of subscriptions for a minimum of 2,000,000 common shares in the capital of the Corporation (the “**Common Shares**”) at a price of \$0.10 per share (the “**Offering Price**”) for gross proceeds to the Corporation of \$200,000 (the “**Offering Amount**”). See “*Plan of Distribution*”. The Offering Price was determined through negotiations between the Corporation and the Agent. The Offering is subject to a minimum subscription comprised of the entire Offering Amount, which must be raised within 90 days of the issuance of a receipt for the final prospectus, or such other time as may be authorized by the security regulatory authorities, and agreed to by the Agent and by Persons who subscribed within that period. The funds received from the sale of the Common Shares offered hereunder will be deposited with the Agent, and will not be released until a minimum of the Offering Amount has been deposited. If the minimum subscription is not raised, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See “*Plan of Distribution*”.

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the Offering, or 40,000 Common Shares (\$4,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with that purchaser’s Associates (as hereinafter defined) and Affiliates (as hereinafter defined), is 4% of the Offering, or 80,000 Common Shares (\$8,000).

	Common Shares	Price to the Public	Agent's Commission ⁽¹⁾	Proceeds to the Corporation ⁽²⁾
Per Common Share	1	\$0.10	\$0.01	\$0.09
Total Offering ⁽³⁾	2,000,000	\$200,000	\$20,000	\$180,000

Notes:

- (1) Pursuant to the Agency Agreement (as defined herein), the Agent has agreed to act as the agent of the Corporation in connection with the Offering, and will receive a cash commission of 10% of the gross proceeds of the Offering or \$20,000, assuming completion of the Offering. In addition, the Agent will be paid a corporate finance fee of \$10,000 (plus GST), one-half of which has been paid (and is non-refundable) and one-half of which will be paid upon closing of the Offering. Pursuant to the Agency Agreement, the Agent will be reimbursed for its expenses, including legal fees, incurred pursuant to this Offering, which are estimated to be \$8,000, plus applicable taxes and disbursements. The Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, upon completion of the Offering, non-transferable options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the date of listing of the Common Shares on the TSXV (the "**Agent's Options**"), which options are qualified for distribution under this prospectus. See "*Plan of Distribution*".
- (2) Before deducting expenses of this Offering, estimated to be \$61,000, which includes legal and audit fees of the Corporation estimated at \$21,000, plus applicable taxes and disbursements, the Agent's corporate finance fee of \$10,000, the Agent's legal and other expenses estimated at \$8,000, plus applicable taxes and disbursements, the listing fee of \$15,000 payable to the Exchange, plus applicable taxes, and estimated filing fees of \$7,000.
- (3) A total of 2,000,000 Common Shares are offered hereunder, not including the Common Shares to be issued in connection with the exercise of Agent's Options.

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the Corporation's preliminary prospectus is issued by the securities commission that is designated the principal regulator for the Corporation pursuant to Multilateral Instrument 11-102 – *Passport System* (the "**Principal Regulator**") and the time the Common Shares are listed for trading on the TSXV except, subject to prior acceptance of the TSXV, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to an order of the applicable securities regulatory authority.

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

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 Common Shares 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, the Aequitas NEO Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America.

Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per common share of approximately \$0.025 or 25%. The Corporation was only recently incorporated and does not currently own any assets other than cash.

The Agent hereby conditionally offers for sale, on behalf of the Corporation and on a "commercially reasonable efforts" agency basis, 2,000,000 Common Shares at a price of \$0.10 per Common Share. The Common Shares are conditionally offered, subject to prior sale, if, as and when issued and delivered by the Corporation, and accepted in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval by Dentons Canada LLP, Toronto,

Ontario, on behalf of the Corporation, and by Salley Bowes Harwardt LC, on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that one or more global certificates that represent the aggregate number of Common Shares subscribed for under the Offering will be issued in registered form as directed by the Agent and will be available for delivery at the closing of the Offering. The Common Shares subscribed for under the Offering may also be issued on an uncertificated basis. In either case, purchasers of Common Shares will only receive a client confirmation from the Agent as to the number of Common Shares subscribed for. Certificates representing the Common Shares in registered and definitive form will be issued to the purchasers in certain limited circumstances only.

Agent for the Offering:

Leede Jones Gable Inc.
421 – 7th Avenue SW, Suite 3415
Calgary, Alberta T2P 4K9



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GLOSSARY OF TERMS

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

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

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

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

A Company is “controlled” by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

“Agency Agreement” has the meaning assigned thereto under the heading “*Plan of Distribution*”.

“Agent” has the meaning assigned thereto on the face page of this prospectus.

“Agent’s Options” has the meaning assigned thereto on page (ii).

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

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

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

“Associate” when used to indicate a relationship with a Person, 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 with respect to that Member firm, Member corporation or holding company.

"Board" means the board of directors of the Corporation as it may be constituted from time to time.

"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 that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"Corporation" has the meaning assigned thereto on the face page of this prospectus.

"CPC" means a corporation:

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

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

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

"CPC Policy" has the meaning assigned thereto on the face page of this prospectus.

"Escrow Agreement" has the meaning assigned thereto under the heading "*Escrowed Securities*".

“Exchange” or **“TSXV”** has the meaning assigned thereto on the face page of this prospectus.

“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.

“Incentive Stock Options” means the incentive stock options which may be granted by the Corporation from time to time pursuant to the Stock Option Plan.

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

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

“Majority of the Minority Approval” means the approval of a Non-Arm’s Length Qualifying Transaction by the majority of the votes cast 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.

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

“Members’ Agreement” means the members’ agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange.

“NEX” means the market on which former TSXV and Toronto Stock Exchange issuers that do not meet tier maintenance requirements may continue to trade.

“Non-Arm’s Length Party” means in relation to a Company, a promoter, officer, director, other insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, insider or Control Person.

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

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

“Offering” has the meaning assigned thereto on the face page of this prospectus.

“Offering Amount” has the meaning assigned thereto on the face page of this prospectus.

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

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

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

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

“Pro Group” means:

- (a) Subject to subparagraphs (b), (c) and (d) and (e) “Pro Group” shall include, either individually or as a group:
 - (i) The Member;

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

"Promoter" has the meaning specified in Section 1 of the *Securities Act* (British Columbia).

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

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

"Sponsor" has the meaning specified in TSXV Corporate Finance Manual Policy 2.2 – Sponsorship and Sponsorship Requirements.

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

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

PROSPECTUS SUMMARY

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

- THE CORPORATION:** Rebel Capital Inc.
- BUSINESS OF THE CORPORATION:** The principal business of the Corporation will be the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations, has not identified any potential Qualifying Transactions and has no assets other than a minimum amount of cash. See *"Business of the Corporation"*.
- OFFERING:** An aggregate of 2,000,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of Alberta, British Columbia and Ontario. In addition, pursuant to the Agency Agreement, the Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, the Agent's Options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share for a period of 24 months from the date of listing of the Common Shares on the TSXV, which options are qualified under and distributed under to this prospectus. See *"Plan of Distribution"*.
- USE OF PROCEEDS:** The net proceeds to the Corporation from the Offering and prior sales of Common Shares, after the payment of all costs in respect of the Offering, are estimated to be \$219,000. The net proceeds of this Offering and proceeds from prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate companies, assets and businesses with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such companies, assets or businesses 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: (i) 30% of the gross proceeds of the Offering and sales of Common Shares prior to the Offering; and (ii) \$210,000, may be used for purposes other than evaluating companies, businesses or assets. See *"Use of Proceeds"*, *"Business of the Corporation"* and *"Risk Factors"*.
- DIRECTORS AND OFFICERS:** The directors and officers of the Corporation are: Mihalis Belantis; President, Chief Executive Officer, a Director, and Promoter; Christopher Donald Reid, Chief Financial Officer and a Director; and Craig Lindsay, Secretary and a Director. See *"Directors, Officers and Promoters"*.
- ESCROWED SHARES:** An aggregate of 2,000,000 Common Shares, being all of the currently issued and outstanding Common Shares, will be deposited into escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See *"Escrowed Securities"*.

RISK FACTORS:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was recently incorporated, has no active business and owns no business operations or assets, other than cash, has not identified a potential Company, asset or business as a proposed Qualifying Transaction and has not entered into an Agreement in Principle. The Corporation does not have a history of earnings, has not paid any dividends and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction. **The Offering is suitable only to those investors who are willing to rely entirely on the directors and management of the Corporation and who can afford to risk the loss of their entire investment.** The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 25% or \$0.025 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. 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. See "*Business of the Corporation*", "*Management and Key Personnel*", "*Directors, Officers and Promoters*", "*Use of Proceeds*" and "*Risk Factors*".

THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on September 16, 2016.

The head office of the Corporation and the registered and records office of the Corporation are located at 20th Floor, 250 Howe Street, Vancouver, British Columbia, V6C 3R8.

BUSINESS OF THE CORPORATION

Preliminary Expenses of the Corporation

As at the date hereof, the Corporation has incurred or accrued preliminary expenses with respect to legal costs of \$10,700 and auditing costs of \$5,000. Additionally, as at the date hereof, the Corporation has paid one-half of the corporate finance fee of \$10,000 (plus GST) to the Agent and provided an advance retainer of \$5,000 in respect of the Agent's expenses including legal expenses, estimated to be approximately \$8,000, to the Agent. Certain of the proceeds of the Offering may be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor, legal expenses and the Agent's estimated expenses. See "Use of Proceeds".

Proposed Operations of the Corporation

The Corporation has not conducted operations of any kind and does not own any assets, other than cash.

The Corporation proposes initially to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction must be accepted by the TSXV and in the case of a Non-Arm's Length Qualifying Transaction is also subject to the Majority of the Minority Approval of the shareholders of the Corporation in accordance with the CPC Policy. The Corporation has not conducted commercial operations. Once a suitable Company, asset or business is identified and evaluated, the Corporation will negotiate the terms under which such Company, asset or business may be acquired or participated in by it or jointly with others.

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

The Corporation is not specifically considering pursuing a Company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Corporation anticipates reviewing companies, assets and businesses in a broad range of industry sectors and geographical areas.

Method of Financing Qualifying Transaction

The Corporation will negotiate the terms of the Qualifying Transaction and may use cash, secured or unsecured debt, the issuance of treasury shares, a public equity or debt financing or a combination of the foregoing for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of shares from treasury could result in a change of control of the Corporation and may cause shareholders to suffer further dilution to their investment.**

Criteria for Qualifying Transactions

A Qualifying Transaction may arise in numerous ways and management has not placed geographical restrictions on potential Qualifying Transactions. The Corporation has not established pre-determined criteria for potential Qualifying Transactions, other than sound business fundamentals. Such fundamentals include, but are not limited to:

- (a) the ratio of risk to reward;
- (b) the cost effectiveness of the participation or acquisition;
- (c) the length of the payout period; and
- (d) the anticipated rate of return.

The Board 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.

REGULATORY AND SHAREHOLDER APPROVAL

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 TSXV generally will halt trading in the Common Shares until the filing requirements of the TSXV have been satisfied as set forth under the heading "*Regulatory and Shareholder Approval – Trading Halts, Suspension and Delisting*". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the TSXV either a CPC Information Circular that complies with applicable corporate and securities laws, or a CPC Filing Statement that complies with the TSXV requirements. A CPC Information Circular must be submitted where there is a Non-Arm's Length Qualifying Transaction. A CPC Filing Statement must be submitted where the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The CPC Information Circular or CPC Filing Statement, as applicable, must contain prospectus level disclosure of the Target Company, the Corporation, and assuming Completion of the Qualifying Transaction, and must be prepared in accordance with the CPC Policy and the TSXV Form 3B1/Form 3B2. Upon acceptance by the TSXV, the Corporation must then either:

- (a) file the CPC Filing Statement at www.sedar.com at least seven business days prior to closing of 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 CPC Filing Statement is available at www.sedar.com; or
- (b) mail the CPC Information Circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

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

- (a) in the case of a Non-Arm's Length Qualifying Transaction, confirmation of Majority of the Minority Approval of the Qualifying Transaction, if required by the CPC Policy;

- (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 TSXV 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.

The TSXV, in its sole discretion, may not approve a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the initial listing requirements of the TSXV;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member and its Affiliates;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders, partners, officers and directors of the Member; and
 - (iii) Associates of any such Persons,

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 a mutual fund as defined under applicable 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.

Initial Listing Requirements

The Resulting Issuer must satisfy the TSXV's initial listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the TSXV. The Resulting Issuer must also meet the tier maintenance public distribution requirements for an issuer in its first year of listing under the applicable tier.

Trading Halts, Suspension and Delisting

The TSXV 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 TSXV have been satisfied, which includes the submission by the Sponsor of a sponsorship acknowledgment form where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms and consent forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the TSXV and any preliminary background searches that the TSXV considers necessary or advisable must also be completed, before the trading halt will be lifted by the TSXV.

Even if all filing requirements have been satisfied and preliminary background checks completed, the TSXV 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 TSXV that the halt should be reinstated or continued.

A trading halt may also be imposed by the TSXV 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 TSXV may suspend from trading or delist the Common Shares where the TSXV has not issued a Final Exchange Bulletin within twenty-four (24) months of the date of listing of the Common Shares on the TSXV. In the event that the Common Shares of the Corporation are delisted by the TSXV, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the remaining assets in some other manner. See "*Business of the Corporation – Filings and Shareholder approval of a Non-Arm's Length Qualifying Transaction*".

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on the NEX rather than be delisted. In order to be eligible to list on the NEX the Corporation must comply with the CPC Policy.

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the combination of prior sales of Common Shares and the sale of the Common Shares offered by this prospectus will be \$300,000.

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

Gross cash proceeds to the Corporation from sales prior to this Offering ⁽¹⁾	\$100,000
Gross cash proceeds from this Offering ⁽²⁾	\$200,000
Total gross proceeds	\$300,000
Commission of the Agent	(\$20,000)
Corporate finance fee and expenses of the Agent (excluding applicable taxes) ⁽³⁾	(\$18,000)
Legal, accounting and other expenses relating to the Offering (excluding applicable taxes and including listing fees payable to the Exchange and estimated filing fees) ⁽⁴⁾	(\$43,000)
Estimated funds available on completion of the Offering	\$219,000
Funds available for identifying and evaluating companies, assets or business prospects ⁽⁵⁾	\$219,000
Estimated general and administrative expenses until Completion of a Qualifying Transaction	\$35,000
Total net proceeds	\$184,000

Notes:

- (1) See "*Prior Sales*". There were no expenses or costs incurred with respect to these sales.
- (2) In the event the Agent (or a sub-agent, as applicable) exercises the Agent's Options and the holders exercise the Incentive Stock Options, there will be available to the Corporation a maximum of an additional \$40,000 which will be added to the

working capital of the Corporation. There is no assurance that any of the options will be exercised. See "*Plan of Distribution*" and "*Incentive Stock Options*".

- (3) Includes a corporate finance fee of \$10,000 (plus GST), one-half of which has been paid (and is non-refundable) and one-half of which will be paid upon closing of the Offering. As of the date hereof, the Corporation has paid to the Agent a \$5,000 retainer for the Agent's legal fees and expenses.
- (4) Of this amount, \$9,000 has been incurred or accrued to date including \$4,000 on legal fees and \$5,000 on auditor's fees.
- (5) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$219,000 on identifying and evaluating companies, assets or businesses, the Corporation may use the remaining funds to finance or partially finance a Qualifying Transaction, or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Proceeds

The CPC Policy requires that, until the Completion of the Qualifying Transaction and except as otherwise provided by the CPC Policy and as described in this prospectus under the heading "*Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties*", the gross proceeds from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate companies, assets or businesses, and to obtain shareholder approval for a Qualifying Transaction, if required by the CPC Policy.

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 companies, assets or businesses and in the case of a Non-Arm's Length Qualifying Transaction, obtaining of shareholder approval for the proposed Qualifying Transaction, if required by the CPC Policy.

In addition, with the prior acceptance of the TSXV, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum

aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the TSXV.

Restrictions on Use of Proceeds

Until completion by the Corporation of a Qualifying Transaction, not more than the lesser of: (i) 30% of the gross proceeds from the sale of all securities issued by the Corporation; and (ii) \$210,000, will be used for purposes other than those described above, including the following expenditures which the CPC Policy specifies as not being expenditures to identify and evaluate companies, assets or businesses:

- (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 (provided that no proceeds shall be used to acquire or lease a vehicle); and (iv) fees for legal advice and audit expenses, other than those related to the Qualifying Transaction.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the TSXV is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the TSXV 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 permitted by the CPC Policy and described under the heading "*Use of Proceeds – Restrictions on Use of Proceeds*" and "*Incentive Stock Options*", the Corporation has not made and until the completion by the Corporation of a Qualifying Transaction, will not make any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Corporation or to 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, directors fees, finder's fees, loans, advances and bonuses; and
- (b) deposits and similar payments.

Further, no such payments shall 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 above, the Corporation may reimburse a Non-Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm,

no member of the firm owns greater than 10% of the outstanding Common Shares), and the Corporation may also reimburse a Non-Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

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

PLAN OF DISTRIBUTION

Agency Agreement, Agent's Compensation and Determination of Price

Pursuant to the agency agreement dated as of •, 2017 between the Corporation and the Agent (the "**Agency Agreement**"), the Corporation has appointed the Agent as its agent to offer for distribution on a commercially reasonable efforts agency basis, in the provinces of Alberta, British Columbia and Ontario to the public, an aggregate of 2,000,000 Common Shares, at a price of \$0.10 per Common Share for aggregate gross proceeds of \$200,000, subject to the terms and conditions in the Agency Agreement. The Offering Price of \$0.10 per Common Share was established by the Board. The Agent will receive a commission equal to 10% of the gross proceeds of the Offering or \$20,000. In addition, the Agent will be paid a corporate finance fee of \$10,000, plus GST, one-half of which has been paid (and is non-refundable) and one-half of which will be paid upon closing of the Offering, and will reimburse the Agent for expenses (including legal expenses) incurred in connection with to the Offering, estimated to total \$8,000, plus applicable taxes and disbursements. As of the date hereof, the Corporation has paid to the Agent a \$5,000 retainer for the Agent's legal fees and expenses. The obligations of the Agent under the Agency Agreement may be terminated at the discretion of the Agent on the basis of its assessment of the state of financial markets or upon the occurrence of certain events stated in the Agency Agreement.

The Corporation will grant to the Agent, and to any sub-agents as the Agent may direct, upon the completion of the Offering, the non-transferable Agent's Options to purchase 200,000 Common Shares at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months following the date of listing of the Common Shares on the TSXV. The grant of the Agent's Options is qualified by this prospectus. Not more than fifty percent (50%) of the aggregate number of Common Shares issuable upon exercise of the Agent's Options may be sold by the Agent (or the sub-agent, as applicable) prior to the completion of a Qualifying Transaction by the Corporation. The remaining fifty percent (50%) may only be sold after the completion of the Qualifying Transaction.

Offering and Distribution

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, at its discretion, may enter into co-brokerage arrangements with other investment dealers at no additional cost to the Corporation.

The total Offering is 2,000,000 Common Shares for total gross proceeds of \$200,000. The maximum number of Common Shares that may be purchased, directly or indirectly, by any single subscriber to the Offering is 2% of the Offering, or 40,000 Common Shares (\$4,000). In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with any Associates and Affiliates of such purchaser, is 4% of the Offering, or 80,000 Common Shares (\$8,000).

The funds received from the Offering hereunder will be deposited with the Agent, and will not be released until a minimum of the Offering Amount has been deposited. The entire Offering Amount must be raised within 90 days of the date of issuance of a receipt for the final prospectus, or such other time as may be authorized by the security regulatory authorities, and agreed to by the Agent and by Persons who subscribed within that period, failing which the funds collected will be remitted to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Determination of Price

The Offering Price of the Common Shares to be distributed hereunder was determined by negotiation between the Corporation and the Agent.

Listing

The Corporation will apply to list the Common Shares on the TSXV. Listing will be subject to the Corporation fulfilling all of the requirements of the TSXV, including the distribution of the Common Shares to a minimum number of public shareholders.

Subscriptions by and Restrictions on the Agent

The Agent has advised the Corporation that to the best of its knowledge and belief neither it nor any member of the Pro Group has subscribed for Common Shares.

The aggregate number of Common Shares permitted to be owned, directly or indirectly, by the Pro Group is 20% of the issued and outstanding Common Shares, exclusive of Common Shares reserved for issuance at a future date. The TSXV will require any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction to be subject to a four month hold period and the securities legended accordingly, as prescribed by TSXV Corporate Finance Manual Policy 3.2.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Options, trading in all securities of the Corporation is prohibited during the period between the date on which a receipt for the Corporation's preliminary prospectus is issued by the Principal Regulator and the time the Common Shares are listed for trading on the TSXV except, subject to prior acceptance of the TSXV, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to an order of the applicable securities regulatory authority.

DESCRIPTION OF SHARE CAPITAL

General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, 2,000,000 Common Shares are issued and outstanding as fully paid and non-assessable, 200,000 Common Shares are reserved for issuance upon exercise of the Incentive Stock Options granted to directors and officers of the Corporation (10% of the issued and outstanding Common Shares from time to time are reserved under the Stock Option Plan (as defined below)) and 200,000 Common Shares are reserved for issuance upon exercise of the Agent's Options. See "*Incentive Stock Options*" and "*Plan of Distribution*".

Common Shares

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any preferred share, to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any preferred share, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares to be issued and outstanding upon completion of the Offering will be issued as fully paid and non-assessable.

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the dates indicated:

Capital	Authorized	Outstanding as at May 31, 2017 ⁽¹⁾⁽²⁾⁽³⁾	Outstanding as at the Date Hereof ⁽²⁾⁽³⁾	Outstanding After Giving Effect to the Offering ⁽²⁾⁽³⁾
Common Shares	Unlimited	\$100,000 (2,000,000 Common Shares)	\$100,000 (2,000,000 Common Shares)	\$300,000 ⁽⁴⁾ (4,000,000 Common Shares)
Incentive Stock Options	200,000	200,000	200,000	200,000

Notes:

- (1) As at May 31, 2017, the Corporation had not commenced commercial operations.
- (2) The Corporation has also reserved for issuance 200,000 Common Shares to be issued upon exercise of the Incentive Stock Options granted on April 10, 2017. Such Incentive Stock Options will expire on April 10, 2022. See "*Incentive Stock Options*".
- (3) The Corporation has also reserved for issuance up to 200,000 Common Shares to be issued upon exercise of the Agent's Options. See "*Plan of Distribution*".
- (4) This amount represents gross proceeds of this Offering and of prior issues of Common Shares, before the deduction of selling commissions and related expenses incurred by the Corporation. See "*Use of Proceeds*".

INCENTIVE STOCK OPTIONS

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSXV (the "**Stock Option Plan**") which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one Person shall not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve (12) month period and the number of Common Shares reserved for issuance to all consultants and employees conducting Investor Relations Activities (as such term is defined by TSXV) will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve (12) month period. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's IPO. The Board determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSXV. Options are exercisable for a period of up to ten (10) years. If the holder ceases to be a director, officer, employee or consultant of the Corporation, such holder's options must also be exercised within the later of: (i) twelve (12) months after the Completion of the Qualifying Transaction; and (ii) ninety (90) days from the date of termination of employment or cessation of position with the Corporation, other than by reason of death. The price per Common Share set by the Board shall not be less than the last closing price of the Common Shares on the TSXV prior to the date on which such option is granted, less the applicable discount permitted (if any) by the TSXV. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares.

Pursuant to the Stock Option Plan, the Corporation entered into stock option agreements granting the following Incentive Stock Options on April 10, 2017:

Name	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date
Mihalis Belantis	50,000	\$0.10	April 10, 2022
Christopher Donald Reid	100,000	\$0.10	April 10, 2022
Craig Lindsay	50,000	\$0.10	April 10, 2022
Total	200,000	\$0.10	April 10, 2022

The Incentive Stock Options granted to the foregoing individuals are the only Incentive Stock Options granted as of the date hereof. Such Incentive Stock Options are subject to a three year vesting period in which one-third of the Incentive Stock Options granted shall vest on April 10th of each subsequent year for a three year period after April 10, 2017.

Any Common Shares acquired pursuant to the exercise of the Incentive Stock Options prior to the Completion of the Qualifying Transaction must be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “*Escrowed Securities*”.

PRIOR SALES

Since the date of incorporation of the Corporation, 2,000,000 Common Shares have been issued as follows:

Date	Number of Common Shares	Issue Price Per Common Share	Aggregate Issue Price	Nature of Consideration Received
September 16, 2016	2,000,000	\$0.05	\$100,000	Cash

ESCROWED SECURITIES

All 2,000,000 Common Shares issued prior to this Offering and all Common Shares that may be acquired by a Non-Arm’s Length Party of the Corporation, either under the Offering or otherwise prior to Completion of the Qualifying Transaction, will be deposited with TSX Trust Company under an escrow agreement dated as of •, 2017 (the “**Escrow Agreement**”). The Escrow Agreement provides that the Common Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of TSXV.

All Common Shares acquired on exercise of Incentive Stock Options prior to the Completion of a Qualifying Transaction 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 a Qualifying Transaction by any Person who becomes a Control Person, as well as Common Shares acquired by members of the Pro Group prior to this Offering, are required, pursuant to the CPC Policy, to be deposited in escrow and will be deposited pursuant to the Escrow Agreement. Subject to certain exemptions permitted by the TSXV 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 (the “**Escrowed Shares**”), which are held in escrow pursuant to the Escrow Agreement:

Name and Municipality of Residence	Number of Shares Held in Escrow ⁽¹⁾	Percentage of Shares Outstanding Prior to the Offering	Percentage of Shares After Giving Effect to the Offering ⁽¹⁾
Mihalis Belantis <i>Calgary, Alberta</i>	366,667	18.3%	9.2%
Doug Bachman <i>St. Albert, Alberta</i>	100,000	5%	2.5%
Claudio Pucci <i>Edmonton, Alberta</i>	100,000	5%	2.5%
Mihali Belandis <i>Calgary, Alberta</i>	100,000	5%	2.5%
Christopher Donald Reid <i>Calgary, Alberta</i>	500,000	25%	12.5%
Harold Reid <i>Brandon, Manitoba</i>	120,000	6%	3%
Rachelle Chapman <i>Calgary, Alberta</i>	46,666	2.33%	1.16%
Arbutus Grove Capital Corp. ⁽²⁾ <i>Vancouver, British Columbia</i>	500,000	25%	12.5%
Narinder Paul Bains <i>Surrey, British Columbia</i>	166,667	8.34%	4.17%
Total	2,000,000	100%	50%

Notes:

- (1) Assuming the shareholders who are a party to the Escrow Agreement do not acquire any Common Shares pursuant to the Offering or exercise their Incentive Stock Options prior to the Final Exchange Bulletin.
- (2) Craig Lindsay is the 100% beneficial owner of Arbutus Grove Capital Corp.

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

Pursuant to the Escrow Agreement the Escrowed Shares shall be released as to 10% immediately following 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, eighteen months, twenty-four months, thirty months and thirty-six months following the Initial Release.

In the event the Resulting Issuer meets the TSXV’s Tier 1 initial listing requirements either at the time of the Final Exchange Bulletin or thereafter, the release of the Escrowed Shares may be retroactively accelerated to be released as follows:

- (a) 25% immediately following the issuance of the Final Exchange Bulletin confirming the Corporation qualifies as a Tier 1 issuer on the TSXV (the “**Tier 1 Initial Release**”); and
- (b) 25% on each of six months, twelve months and eighteen months after the Tier 1 Initial Release.

Any accelerated escrow release will not commence until the Resulting Issuer has made an application to the TSXV for listing as a Tier 1 issuer and the TSXV has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the TSXV.

The prior consent of the TSXV must be obtained before a transfer within escrow of Escrowed Shares can be completed. Generally, the TSXV will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the Escrowed Shares will not be released. Pursuant to the Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds Escrowed Shares acquired at a price below the Offering Price under this prospectus has irrevocably authorized and directed TSX Trust Company to immediately:

- (a) cancel all of those Escrowed Shares upon the issuance by the TSXV of a bulletin delisting the Common Shares; or
- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Common Shares purchased by Non-Arm's Length Parties at a discount from the Offering Price in accordance with the CPC Policy; or
 - (ii) subject to the receipt of majority shareholder approval of the Corporation, cancel an amount of Common Shares purchased by Non-Arm's Length Parties so that the average cost of the remaining Common Shares is at least equal to the Offering Price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the TSXV, or securities that are otherwise determined by the TSXV 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 on the date of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that is a Tier 2 issuer, 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 on the date of the Final Exchange bulletin, 5% on the date which is six 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 on the date of the Final Exchange Bulletin and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will

be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 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 six 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 at not less than the discounted market price, as determined in accordance with the policies of the TSXV; 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 ⁽¹⁾	Percentage of Common Shares Owned Before Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering ⁽²⁾
Mihalis Belantis <i>Calgary, Alberta</i>	Direct	366,667	18.3%	9.2% ⁽³⁾
Christopher Donald Reid <i>Calgary, Alberta</i>	Direct	500,000	25%	12.5% ⁽³⁾
Arbutus Grove Capital Corp. ⁽⁴⁾ <i>Vancouver, British Columbia</i>	Direct	500,000	25%	12.5% ⁽³⁾

Notes:

- (1) These Common Shares are all held in escrow. See “*Escrowed Securities*”.
- (2) Assuming the shareholder does not acquire any Common Shares pursuant to the Offering.
- (3) On a fully diluted basis, assuming the exercise of the Agent’s Options and the Incentive Stock Options, each of Mihalis Belantis, Christopher Donald Reid and Craig Lindsay (directly or indirectly through Arbutus Grove Capital Corp.) would own approximately the following percentage of the Common Shares after giving effect to the Offering: Mihalis Belantis – 9.5%, Christopher Donald Reid – 13.6% and Craig Lindsay. – 12.5%.
- (4) Craig Lindsay is the 100% beneficial owner of Arbutus Grove Capital Corp.

As at the date hereof, the 1,366,667 Common Shares legally owned, directly or indirectly, or controlled by, all directors and officers as a group and their Associates and Affiliates, prior to giving effect to the Offering or the exercise of the Incentive Stock Options or Agent’s Options, represent 68.3% of the issued and outstanding Common Shares. After giving effect to the Offering and assuming no exercise of

Incentive Stock Options or Agent's Options, the directors and officers as a group and their Associates and Affiliates will own or control 1,366,667 Common Shares representing approximately 34.2% of the issued and outstanding Common Shares, assuming the directors, officers and their Associates and Affiliates do not acquire any Common Shares pursuant to the Offering.

DIRECTORS, OFFICERS AND PROMOTERS

General

The following are the names and municipalities of residence of the directors and officers of the Corporation, their position and offices with the Corporation, their principal occupations during the last five years and the number of Common Shares held by each such individual. See also "*Management and Key Personnel*".

Name and Municipality of Residence and Position	Present Occupation and Position During the Last Five Years	Number of Common Shares	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering ⁽³⁾⁽⁴⁾
Mihalis Belantis ⁽¹⁾ <i>Calgary, Alberta</i> Chief Executive Officer, Director and Promoter	Mr. Belantis currently serves as an independent businessman. Previously, Mr. Belantis was the Chief Executive Officer of QE2 Acquisition Corp. (" QE2 ") from November 2014 to August 2015.	366,667	18.3%	9.2%
Christopher Donald Reid ⁽¹⁾ <i>Calgary, Alberta</i> Chief Financial Officer and Director	Mr. Reid currently serves as the President and Chief Executive Officer of Petrodorado Energy Ltd. (" Petrodorado "). Previously, Mr. Reid served as the Interim Chief Executive Officer, Chief Financial Officer and Interim President of Petrodorado February 2012 to January 2016.	500,000	25%	12.5%
Craig Lindsay ⁽¹⁾ <i>Vancouver, British Columbia</i> Secretary and Director	Mr. Lindsay currently serves as the President of Arbutus Grove Capital Corp. Mr. Lindsay also serves as the President and Chief Executive Officer of Otis Gold Corp.	500,000 ⁽²⁾	25% ⁽²⁾	12.5% ⁽²⁾
Total		1,366,667	68.3%	34.2%

Notes:

- (1) Member of the Audit Committee of the Corporation. The Corporation does not have a compensation committee or a corporate governance committee.
- (2) Indirectly held by Arbutus Grove Capital Corp., a private company controlled by Craig Lindsay.
- (3) Assuming such director, officer or promotes does not acquire any Common Shares pursuant to the Offering.
- (4) Assuming the Agent's Options and the Incentive Stock Options have not been exercised.

In addition to any other requirements of the TSXV, the TSXV expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset. The directors and officers of the Corporation plan to devote the time required to achieve the goal of the Corporation to complete a Qualifying Transaction. It is anticipated that Mr. Belantis will dedicate approximately 25% of his working time and attention to the business activities of the Corporation and the balance of the directors will dedicate between than 5% and 10% of their working time and attention to the business activities of the Corporation. Time actually spent by the directors and officers of the Corporation will vary according to the needs of the Corporation.

MANAGEMENT AND KEY PERSONNEL

The following is a brief description of the management and key personnel of the Corporation.

Mihalis Belantis

Mihalis Belantis, age 41, is the Chief Executive Officer, a Director and Promoter of the Corporation.

Mr. Belantis has more than 15 years' experience identifying opportunities, investing and consulting for companies in both the private and public sectors. Most recently, Mr. Belantis was the Chief Executive Officer of QE2 in November 2014 to August 2015. In this role, Mr. Belantis was involved in all aspects of QE2's acquisitions, investments and new project initiatives. Mr. Belantis has played a key role in developing the vision and implementing the initial foundation for many successful start-up ventures.

Christopher Donald Reid

Christopher Donald Reid, age 39, is the Chief Financial Officer and a Director of the Corporation.

Mr. Reid has served as the Chief Executive Officer and President of Petrodorado, a petroleum company with operations in Colombia, since January 2016 and as the Chairman since May 2016. Mr. Reid also served as the Interim Chief Executive Officer, Chief Financial Officer and Interim President of Petrodorado from February 2012 to January 2016, where he was involved in the turnaround of the company through a divestiture program. Additionally, Mr. Reid has been a director of Potash Ridge Corporation since June 1, 2016. Mr. Reid is a Chartered Account whose career includes 11 years of experience in industry and international business. Mr. Reid is currently a director of First Cobalt Corp. (TSXV: FCC), Potash Ridge Corp. (TSX: PRK), Integrated Energy Storage Corp. and Petrodorado (TSXV: PDQ). Mr. Reid is a Chartered Professional Accountant and a member of the Institute of Chartered Accountants of Alberta and the Chartered Professional Accounts Alberta. Mr. Reid holds a Bachelor of Business Administration from Saint Francis Xavier University.

Craig Lindsay

Craig Lindsay, age 52, is the Secretary and a Director of the Corporation.

Mr. Lindsay has in excess of 20 years' experience in corporate finance, investment banking and business development in both North America and Asia. He is currently the President of Arbutus Grove Capital Corp., a private company offering corporate finance and merchant banking services.

Corporate Cease Trade Orders or Bankruptcies

Other than indicated below, no director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation is, or within 10 years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other issuer that, while that Person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director, insider, senior officer, executive officer or promoter of the Corporation, personal holding company of any such Persons or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has within the 10 years before the date of this prospectus, as applicable, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

Other than indicated below, no director, senior officer, executive officer, promoter or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authority or entered into a settlement agreement relating to securities legislation, promotion or management of a publicly traded issuer, or theft or fraud or been subject to any other penalties or sanctions imposed by a court or regulating body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Positions with Reporting Issuers

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

Name	Name of Reporting Issuer	Name of Exchange or Market	Position(s)	From	To
Mihalis Belantis	QE2 Acquisition Corp.	TSX Venture	Chief Executive Officer	November 2014	August 2015
Christopher Donald Reid	Petrodorado Energy Ltd.	TSX Venture	Controller, Chief Financial Officer, President, Chief Executive Officer, Chairman	July 2011	Present
	Potash Ridge Corp.	TSX	Director	June 2016	Present
	First Cobalt Corp.	TSX Venture	Director	January 2017	Present
	PentaNova Energy Corp.	TSX Venture	Chief Financial Officer	April 2017	Present
Craig Lindsay	Otis Gold Corp.	TSX Venture	President, Chief Executive Officer and Director	April 2007	Present
	Alianza Minerals Ltd.	TSX Venture	Director	November 2008	Present
	Philippine Metals Inc.	TSX Venture	Chief Executive Officer and Director	June 2011	Present
	Archer Petroleum Corp.	TSX Venture	Director	April 2012	April 2016
	VR Resources Ltd.	TSX Venture	Director	March 2017	Present

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoters are engaged and will continue to be engaged, directly or indirectly, with corporations or businesses which may be in competition with the Corporation for companies, businesses or assets in order to complete 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 under the *Business Corporations Act* (British Columbia). See "*Interests of Directors, Officers and Others in Material Transactions*".

REMUNERATION OF DIRECTORS AND OFFICERS

Except as set out below or otherwise disclosed in this prospectus, prior to completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the

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

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

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

The directors and officers may also be granted stock options to purchase Common Shares. See "*Directors, Officers and Promoters*", "*Prior Sales*", "*Principal Shareholders*", and "*Incentive Stock Options*".

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

PROMOTER

Mihalis Belantis may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. The promoter has subscribed for and received Common Shares and has been granted Incentive Stock Options. See "*Directors, Officers and Promoters*", "*Prior Sales*", "*Principal Shareholders*" and "*Incentive Stock Options*".

INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, officers, and any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation, other than each of the directors has subscribed for common Shares and has been granted the Incentive Stock Options.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. The Stock Option Plan dated April 3, 2017. See "*Incentive Stock Options*".

2. The Escrow Agreement among the Corporation, TSX Trust Company and certain shareholders of the Corporation. See "*Escrowed Securities*".
3. The Agency Agreement between the Corporation and the Agent. See "*Plan of Distribution*".
4. A service agreement dated as of •, 2017 between the Corporation and TSX Trust Company. See "*Auditors, Transfer Agent and Registrar*".

Copies of these agreements will be available for inspection at the offices of the Corporation's counsel, Dentons Canada LLP, at 77 King Street, Suite 400, Toronto-Dominion Centre Tower, Toronto, Ontario, M5K 0A1 at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 25% or \$0.025 per Common Share on the basis of there being 4,000,000 Common Shares 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 Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. The Corporation has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

An 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.

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

After completion of the Offering, an investor will suffer an immediate dilution to its investment of 25% or \$0.025 per Common Share.

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

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.

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.

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 TSXV and, in certain circumstances, Majority of the Minority Approval.

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 is required by CPC Policy and has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.

Upon the 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 TSXV 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. Neither the TSXV nor any securities regulatory authority passes upon the merits of 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 TSXV in the time periods required.

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

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.

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

Subject to prior TSXV acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

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

LEGAL PROCEEDINGS

Management of the Corporation is not aware of any legal proceedings outstanding, pending, or threatened as at the date hereof, by or against the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, Suite 3100, 205 - 5th Avenue SW, Calgary, Alberta, T2P 4B9.

TSX Trust Company, through its principal offices at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 is the transfer agent and registrar for the Common Shares.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

The legal counsel of the Corporation is Dentons Canada LLP, 77 King Street West, Suite 400, Toronto-Dominion Centre, Toronto, Ontario, M5K 0A1. The partners and associates of Dentons Canada LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

Legal counsel to the Agent is Salley Bowes Harwardt LC. The partners and associates of Salley Bowes Harwardt LC do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

KPMG LLP are the auditors of the Corporation and have confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Agent for the Offering is Leede Jones Gable Inc.

The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Corporation and the only proceeds of the Offering to be received by it is the remuneration to be paid to it in connection with the sale of the Common Shares, which includes the Agent's commission, the corporate finance fee payable to it and the Agent's Options. See "*Plan of Distribution*".

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

ELIGIBILITY FOR INVESTMENT

The following opinion is based on the facts set out in this prospectus, the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations promulgated thereunder (the "**Regulations**") in force as of the date hereof, and any proposed amendments to the Tax Act publically announced by the Minister of Finance as of the date hereof (the "**Proposed Amendments**"). Other than the Proposed Amendments, this opinion does not otherwise contemplate any changes in law and does not consider provincial or territorial laws, the laws of any other jurisdiction or the administrative policies or assessing practices of the CRA.

In the opinion of Dentons Canada LLP, counsel to the Corporation, the Common Shares, only if, as and when listed on a designated stock exchange (which includes the TSXV Tiers 1 and 2), will be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan ("**RESP**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") or a tax-free savings account (each, a "**Deferred Plan**" and collectively, "**Deferred Plans**") as defined under the Tax Act and the Regulations. Notwithstanding the foregoing, if the Common Shares are "prohibited investments" as defined in the Tax Act and, in the case of RESPs or RDSPs, the Proposed Amendments are enacted as proposed, the holders, annuitants, or subscribers, as the case may be, of Deferred Plans which hold the Common Shares will be subject to a penalty tax. The Common Shares will generally not be prohibited investments for a Deferred Plan unless the annuitant, holder, or subscriber, as the case may be, does not deal at arm's length with the Corporation for purposes of the Tax Act, or the annuitant, holder, or subscriber, as the case may be, has a "significant interest" in the Corporation (within the meaning of the Tax Act). Generally, a holder or annuitant will have a significant interest in the Corporation if the holder or annuitant and/or persons or partnerships not dealing at arm's length with the holder own directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Corporation or any corporation related to the Corporation within the meaning of the Tax Act. In addition, the Common Shares will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act) for the Deferred Plan. Holders wishing to hold the Common Shares in such Deferred Plans are urged to consult their tax advisors.

PURCHASERS' STATUTORY RIGHTS

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

FINANCIAL STATEMENTS

REBEL CAPITAL INC.

FINANCIAL STATEMENTS

**For the period from incorporation on September 16, 2016
to December 31, 2016 and for the five months ended
May 31, 2017**



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Rebel Capital Inc.

We have audited the accompanying financial statements of Rebel Capital Inc., which comprise the statements of financial position as at May 31, 2017 and December 31, 2016, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the five month period ended May 31, 2017 and for the period from incorporation on September 16, 2016 to December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 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 audits 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 Rebel Capital Inc. as at May 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the five month period ended May 31, 2017 and for the period from incorporation on September 16, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants

●, 2017
Calgary, Canada

REBEL CAPITAL INC.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

May 31, 2017

December 31, 2016

Assets

Current assets

Cash	\$ 88,921	\$ 5,710
Accounts receivable	518	-
Subscriptions receivable (Note 6)	-	94,000

89,439 99,710

Non-current assets

Deferred financing costs (Note 5)	17,767	1,500
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\$ 107,206 \$ 101,210

Liabilities

Current liabilities

Accounts payable and accruals	\$ 18,358	\$ 4,323
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Shareholders' Equity

Share capital (Note 6)	100,000	100,000
Contributed surplus (Note 6)	5,988	-
Deficit	(17,140)	(3,113)

88,848 96,887

\$ 107,206 \$ 101,210

See accompanying notes to these financial statements.

Approved by the Board of Directors:

(signed) "Mihalis Belantis"

Director

(signed) "Chris Reid"

Director

REBEL CAPITAL INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the period from incorporation on September 16, 2016 to December 31, 2016
and for the five months ended May 31, 2017

(Expressed in Canadian Dollars)

	2017	2016
Expenses:		
General and administrative	\$ 8,039	\$ 3,113
Stock-based compensation (Note 6)	5,988	-
Loss and comprehensive loss for the period	(14,027)	(3,113)
Loss per share – basic and diluted (Note 6)	\$ -	\$ -
Weighted average number of common shares outstanding	-	-

See accompanying notes to these financial statements.

REBEL CAPITAL INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total
At incorporation	-	\$ -	\$ -	\$ -	\$ -
Share issuance (Note 6)	2,000,000	100,000			100,000
Loss				(3,113)	(3,113)
Balance at December 31, 2016	2,000,000	\$ 100,000	\$ -	\$ (3,113)	\$ 96,887

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance at January 1, 2017	2,000,000	\$ 100,000	\$ -	\$ (3,113)	\$ 96,887
Stock-based compensation (Note 6)			5,988		
Loss				(14,027)	(14,027)
Balance at May 31, 2017	2,000,000	\$ 100,000	\$ 5,988	\$ (17,140)	\$ 82,860

See accompanying notes to these financial statements.

REBEL CAPITAL INC.

STATEMENT OF CASH FLOWS

For the period from incorporation on September 16, 2016 to December 31, 2016
and for the five months ended May 31, 2017

(Expressed in Canadian Dollars)

	2017	2016
Cash flows related to the following activities:		
Operating activities		
Loss for the period	\$ (14,027)	\$ (3,113)
Adjustments for:		
Stock-based compensation	5,988	-
Change in non-cash working capital	7,500	2,823
	(539)	(290)
Financing activities		
Issuance of common shares	-	100,000
Deferred financing costs paid	(16,267)	(1,500)
Change in non-cash working capital	100,017	(92,500)
	83,750	6,000
Net cash from operating and financing activities	83,211	5,710
Cash, beginning of period	5,710	-
Cash, end of period	\$ 88,921	\$ 5,710

See accompanying notes to these financial statements.

REBEL CAPITAL INC.
Notes to the Financial Statements
For the period from incorporation on September 16, 2016 to December 31, 2016
and for the five months ended May 31, 2017

1. INCORPORATION

Rebel Capital Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on September 16, 2016. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the Exchange. The principal business of the Company will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The address of the registered office is 2000, 250 Howe Street, Vancouver, BC.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Board of Directors on *****, 2017.

Basis of measurement

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Given the early stage of the Company there were no significant estimates or judgments made by management in the preparation of these financial statements.

Functional and presentation currency

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Non-derivative financial instruments

Non-derivative financial instruments are comprised of cash and cash equivalents, accounts receivable, subscriptions receivable and accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method.

Cash and cash equivalents consist of cash on hand, deposits and term deposits held with banks or other financial institutions with an original maturity of three months or less.

Deferred financing costs

Financing costs related to the Company's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to operations.

Share capital

Proceeds from the issuance of common shares are classified as equity. Costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share based payments

The Company follows the fair-value method for valuing stock options and other dilutive instruments granted to employees and directors. Under this method, the compensation cost is measured at the grant date using the Black-Scholes option pricing model and expensed over the vesting period of the instrument granted as stock-based compensation expense with a corresponding increase to contributed surplus. The contributed surplus balance is reduced as stock options and other dilutive instruments are exercised with the amount previously recognized plus any consideration received credited to share capital. The Company has included an estimated forfeiture rate for stock options that will not vest, which is adjusted to reflect actual forfeitures upon final vesting of the award.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset. If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

Earnings per share ("EPS")

Basic EPS is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2017 or later periods. The standards impacted that are applicable to the Company are as follows:

- i. On January 1, 2018, the Company will be required to adopt IFRS 15 "Revenue from Contracts with Customers". IFRS 15 was issued in May 2014 and will replace IAS 11 "Construction Contracts", IAS 18 "Revenue Recognition", 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 provides a single, principle-based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17 and financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements". In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the Company's ordinary activities.
- ii. On January 1, 2018, the Company will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board's ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and Measurement" and IFRIC 9 "Reassessment of Embedded Derivatives". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost

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and fair value. Amendments to IFRS 7 “Financial Instruments: Disclosures” will also be required to be adopted by the Company simultaneously with IFRS 9.

- iii. On January 1, 2019, the Company will be required to adopt IFRS 16 “Leases” to replace the existing guidance of IAS 17 “Leases”. The standard establishes the principals and disclosure related to the amount, timing and uncertainty of cash flows arising from a lease.

The Company will assess the impact of the new IFRS pronouncements on the financial statements by the required implementation dates.

5. DEFERRED FINANCING COSTS

Deferred financing costs consist of professional and agency fees incurred in relation to the IPO as further described in Note 10. They will be charged against share capital upon the issuance of the shares or expensed in earnings if the share offering is not completed.

6. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares to be issued.

During 2016, the Company issued 2,000,000 common shares at a price of \$0.05 per share for total consideration of \$100,000. As at December 31, 2016, the Company had collected \$6,000 of the subscription proceeds with a \$94,000 subscription receivable outstanding. In January 2017, the remaining \$94,000 was collected. Directors and officers of the Company acquired 1,366,667 of the common shares issued for proceeds of \$68,333.

Upon closing of the IPO as further disclosed in Note 10, the 2,000,000 issued common shares will be subject to a CPC escrow agreement pursuant to the requirements of the Exchange. Under the escrow agreement, 10% of the escrowed shares will be released from escrow on the issuance of the Final Exchange Bulletin (the “Initial Release”) and an additional 15% will be released on the dates 6 months, 12 months, 18 months 24 months, 30 months and 36 months following the Initial Release.

The escrow agreement provides that holders of escrowed common shares shall not sell, transfer, assign, mortgage, enter into a derivative transaction concerning or otherwise deal in any way with their escrowed shares.

Stock options

On April 3, 2017, the Company adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and employees of and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant. However, for so long as the Company is a CPC under the policies of the Exchange, the aggregate number of common shares issuable upon exercise of all options granted under the stock option plan shall not exceed 10% of the common shares of the Company issued and outstanding at the closing of the Company's initial public offering. Options granted under the option plan may be exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares in any 12 month period. Options granted to the directors and officers of the Company while it is a CPC may be exercised during the greater of 12 months after the completion of the qualifying transaction and 90 days following cessation of the optionee's position with the Company, provided that if the

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cessation of office, directorship, or technical consulting arrangement is 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 the requirements of the Exchange under a CPC escrow agreement, as described previously.

On April 10, 2017, the Company granted options to its directors and officers entitling the purchase of 200,000 common shares at a per share price of \$0.10 per common share. The options are for a five year term, expiring on April 10, 2022, and vest one-third on April 10, 2017, one-third on the first anniversary date and one-third on the second anniversary date from the date of grant.

Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value with the following weighted average assumptions:

Expected forfeiture rate	0%
Risk-free interest rate	0.92%
Expected dividend yield	0%
Expected stock price volatility	100%
Expected option life	5 years
Fair value of options granted	\$0.07

During the five months ended May 31, 2017, the Company recognized \$5,988 (2016 - nil) of stock-based compensation expense that was recorded as contributed surplus.

Loss per share

Upon the Company completing its planned IPO, common shares previously issued will be subject to an escrow agreement and may be cancelled in the event that the Company is unable to complete a qualifying transaction within the required time limits. Accordingly, these shares are accounted for as contingently returnable shares and excluded from the calculation of loss per share.

7. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	For five months ended May 31, 2017	Period from Incorporation on September 16, 2016 to December 31, 2016
Net loss before income tax	\$ 14,027	\$ 3,113
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory tax rate	3,647	809
Stock-based compensation	(1,557)	-
Deferred tax assets not recognized	(2,090)	(809)
Income tax recovery	\$ -	\$ -

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The Company has deductible temporary differences of \$11,152 for which a deferred tax asset has not been recognized as it is not considered more likely than not as at May 31, 2017 (December 31, 2016 - \$3,113) that the benefits will be realized. This balance includes \$12,683 of non-capital losses expiring in 2036 and 2037.

8. CAPITAL DISCLOSURES

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at year end.

9. FINANCIAL INSTRUMENTS

The Company, as part of its operations, carries financial instruments consisting of cash and cash equivalents, accounts receivable subscriptions receivable and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Certain of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company's fair value measurements are classified as one of the following levels of the fair value hierarchy:

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents, accounts receivable, subscriptions receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

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Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, accounts receivable and subscriptions receivable. The carrying amount of cash and cash equivalents, accounts receivable and subscriptions receivable represent the maximum credit exposure to the Company. The Company held cash and cash equivalents of \$88,921 at May 31, 2017 (December 31, 2016 - \$5,710). The Company manages credit exposure related to cash and cash equivalents by selecting financial institution counterparties with high credit ratings. The subscriptions receivable balance of \$94,000 existing as of December 31, 2016 was fully collected within the first two months of 2017. The accounts receivable balance of \$518 existing as of May 31, 2017 consists entirely of Goods & Sales Tax receivable, which is reimbursed on a timely basis by the Government of Canada subject to applicable filings and assessment.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has accounts payable and accrued liabilities of \$18,358 as at May 31, 2017 (December 31, 2016 - \$4,323) that are considered payable within the next year.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have significant exposure to these risks.

10. SUBSEQUENT EVENT

Initial Public Offering

Pursuant to a prospectus dated *****, 2017 to be filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario and the Exchange and an agency agreement (the "Agency Agreement") with Leede Jones Gable Inc. (the "Agent"), the Company is offering a maximum of 2,000,000 common shares at \$0.10 per common share for maximum gross proceeds of \$200,000. Under the maximum offering, the net proceeds of the issue will be approximately \$119,000, net of a 10% cash commission payable to the Agent and other transaction costs estimated at \$61,000, of which a portion have already been incurred and included in deferred financing costs (Note 5).

Under the Agency Agreement, the Agent will be granted an option (the "Agent's Option") to acquire an additional number of common shares up to 10% of the number of common shares sold at a price of \$0.10 per share, exercisable for a period of two years from the date the common shares are first listed for trading on the Exchange. The completion of the offering is dependent upon the issuance by regulatory authorities of a receipt in respect of the Company's prospectus.

Upon completing the prospectus, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or business for future investment, with the exception that the lesser of 30% of the gross proceeds (being \$90,000) and \$210,000 may be used to cover prescribed costs of issuing the common shares and general and administrative expenses of the Company. These restrictions apply until the completion of the Qualifying Transaction by the Company as defined under the policies of the Exchange.

CERTIFICATE OF THE CORPORATION

Dated: June 30, 2017

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

(signed) "*Mihalis Belantis*"
Mihalis Belantis
Chief Executive Officer and President

(signed) "*Christopher Donald Reid*"
Christopher Donald Reid
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS:

(signed) "*Mihalis Belantis*"
Mihalis Belantis
Director

(signed) "*Christopher Donald Reid*"
Christopher Donald Reid
Director

(signed) "*Craig Lindsay*"
Craig Lindsay
Director

CERTIFICATE OF THE PROMOTER

Dated: June 30, 2017

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

(signed) "*Mihalis Belantis*"
Mihalis Belantis
Chief Executive Officer and President

CERTIFICATE OF THE AGENT

Dated: June 30, 2017

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

LEEDE JONES GABLE INC.

(signed) "*Richard Carter*"
Richard Carter
Senior Vice President, General Counsel & Secretary