

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Ontario and with the TSX Venture Exchange Inc. (the “Exchange”) but has not yet become final for the purpose 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 in each of British Columbia, Alberta and Ontario and with the Exchange.*

*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

March 6, 2020

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

The Offering is made on a commercially reasonable efforts basis by Canaccord Genuity Corp. (the “**Agent**”) and is subject to a minimum subscription of 2,000,000 common shares of the Company (each a “**Common Share**” and collectively, “**Common Shares**”) at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$200,000. See “**Plan of Distribution**”.

	Price to the Public	Agent’s Commission <sup>(1)</sup>	Proceeds to the Company <sup>(2)</sup>
Per Common Share <sup>(3)</sup>	\$0.10	\$0.01	\$0.09
Total Offering <sup>(4)</sup>	\$200,000	\$20,000	\$180,000

#### Notes:

- (1) The Agent has agreed to act as agent in connection with the Offering and will receive a commission equal to 10% of the gross proceeds of the Offering (the “**Agent’s Commission**”). In addition, the Agent will receive an administration fee of \$15,000 (the “**Administration Fee**”). The Agent will be reimbursed for its reasonable expenses incurred pursuant to the Offering, including legal fees. An advance of \$15,000 was paid by the Company to the Agent as a retainer against the Agent’s expenses. As additional compensation, the Company will also grant to the Agent non-transferable warrants (the “**Agent’s Warrants**”) to acquire Common Shares in an amount equal to 10% of the number

of Common Shares sold under the Offering at an exercise price of \$0.10 per Common Share for a period of 24 months from the Listing Date (as herein defined). This prospectus qualifies the grant of the Agent's Warrants. See "**Plan of Distribution**".

- (2) Before deducting the costs of this issue estimated at \$87,643 which includes legal fees of \$25,383 (exclusive of PST and GST) and audit and audit related fees of \$7,500 (exclusive of GST), the Agent's Administration Fee of \$15,000, the Agent's expenses and legal fees (exclusive of GST and disbursements) estimated at \$15,000, the listing fee of \$15,750 payable to the Exchange (inclusive of GST), SEDAR filing fees of \$1,140, Securities Commission filing fees of \$6,550 and escrow agent and transfer agent fees of \$1,350. See "**Use of Proceeds**".
- (3) The price per Common Share has been determined by arm's length negotiation between the Company and the Agent.
- (4) A total of 2,000,000 Common Shares are offered hereunder, not including the Common Shares issuable upon exercise of the Agent's Warrants, Incentive Stock Options or Charitable Stock Options (as defined herein). See "**Plan of Distribution**" and "**Options to Purchase Securities**".

All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as defined herein). If the entire Offering is not raised within 90 days of the issuance of a receipt for the final prospectus, or such other time as may be consented to by persons or companies who subscribed for Common Shares within that period, all subscription funds will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent will be granted Agent's Warrants to purchase up to such number of Common Shares as is equal to 10% of the number of Common Shares sold pursuant to the Offering at a price of \$0.10 per Common Share expiring 24 months from the Listing Date. The Agent's Warrants are qualified for distribution under this prospectus. See "**Plan of Distribution**".

This prospectus also qualifies for distribution the Incentive Stock Options to be granted on the Listing Date to the directors and officers of the Company to purchase up to a total of 400,000 Common Shares. See "**Plan of Distribution**", "**Description of Securities Distributed**", and "**Incentive Stock Options**".

This prospectus also qualifies for distribution non-transferable Charitable Stock Options to be granted on the Listing Date to the Charity (as defined herein) an Eligible Charitable Organization (as that term is defined in Exchange Policy 4.7 and hereafter defined) to purchase 60,000 Common Shares. See "**Plan of Distribution**", "**Description of Securities Distributed**", and "**Options to Purchase Securities**".

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

## **Market for Securities**

Other than the initial distribution of the Common Shares pursuant to this prospectus and the grant of the Agent's Warrants, Incentive Stock Options and the Charitable Stock Options (which are qualified for distribution under this prospectus), trading in all securities of the Company is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the applicable securities regulatory authorities and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

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

Upon completion of the Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this Offering and prior issues without deduction of selling and related expenses) per Common Share of \$0.033 or 33%.

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

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

## **Risk Factors**

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

The Company has a limited operating history, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

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

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company 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.

Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior share issuances without deduction of selling and related expenses) of \$0.033 or 33% per Common Share based on the gross proceeds of the Offering, before deduction of selling commissions or related expenses of the Offering.

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

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

Since the Company has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such Persons or the Company, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

The Company will be in competition with other corporations with greater resources. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future.

See "**Capitalization**", "**Dilution**", "**Business of the Corporation**", "**Directors, Officers and Promoters**", "**Use of Proceeds**", "**Conflicts of Interest**", "**Risk Factors**" and "**Enforcement of Judgments Against Foreign Persons**".

One of the directors of the Company resides outside of Canada. The person named below has appointed the following agent for service of process:

<u>Name of Person</u>	<u>Name and Address of Agent</u>
Dr. Keith Pyne	Venture Law Corporation 838 West Hastings Street, Suite 700 Vancouver, BC V6C 0A6

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

#### **Maximum Investment**

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total number of Common Shares offered under this prospectus, being 40,000 Common Shares (\$4,000). In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, being 80,000 Common Shares (\$8,000). Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for delivery in electronic book form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The Common Shares are conditionally offered, subject to prior sale, if, as and when issued by the Company, and in accordance with the conditions contained in the Agency Agreement referred to under "**Plan of Distribution**" and subject to approval of certain legal matters by Venture Law Corporation on behalf of the Company and by Miller Thomson LLP on behalf of the Agent.

**CANACCORD GENUITY CORP.**  
**Suite 2200- 609 Granville St. Vancouver, British Columbia, V7Y 1H2**  
**Telephone: (604) 643-7300**  
**Fax: (604) 643-7606**

## Table of Contents

GLOSSARY .....	1
PROSPECTUS SUMMARY .....	7
CORPORATE STRUCTURE .....	9
BUSINESS OF THE COMPANY .....	9
Preliminary Expenses.....	9
Proposed Operations Until Completion of a Qualifying Transaction .....	9
Method of Financing Participation or Acquisitions .....	9
Criteria for Qualifying Transaction.....	9
REGULATORY AND SHAREHOLDER APPROVAL.....	10
Filings and Shareholder Approval of a Non-Arm’s Length Qualifying Transaction .....	10
Initial Listing Requirements .....	11
Trading Halts, Suspension and Delisting .....	11
Refusal of Qualifying Transaction .....	12
USE OF PROCEEDS .....	12
Proceeds and Principal Purposes.....	12
Permitted Use of Proceeds .....	13
Restrictions on Use of Proceeds.....	14
Private Placements for Cash .....	14
Prohibited Payments to Non-Arm’s Length Parties.....	14
PLAN OF DISTRIBUTION .....	15
Agency Agreement and Agent’s Compensation.....	15
Commercially Reasonable Efforts Offering and Minimum Distribution.....	16
Other Securities to be Distributed.....	16
Determination of Price .....	16
Listing Application .....	16
Subscriptions by and Restrictions on Agent .....	17
Restrictions on Trading.....	17
DESCRIPTION OF SECURITIES DISTRIBUTED.....	17
OPTIONS TO PURCHASE SECURITIES .....	18
Stock Option Terms .....	18
Incentive Stock Options.....	19
Charitable Stock Options .....	20

PRIOR SALES.....	20
ESCROWED SECURITIES .....	20
Securities Escrowed Prior to the Completion of Qualifying Transaction.....	20
Escrowed Securities on Qualifying Transaction.....	22
PRINCIPAL SHAREHOLDERS .....	23
DIRECTORS, OFFICERS AND PROMOTERS .....	24
Management of the Company .....	25
Reporting Issuer Experience .....	26
Promoter.....	27
Corporate Cease Trade Orders or Bankruptcies .....	27
Penalties or Sanctions .....	27
Personal Bankruptcies.....	28
Indebtedness of Directors and Officers.....	28
Conflicts of Interest.....	28
INTERESTS OF DIRECTORS, OFFICERS & OTHERS IN MATERIAL TRANSACTIONS.....	28
EXECUTIVE COMPENSATION .....	28
DILUTION .....	29
ELIGIBILITY FOR INVESTMENT.....	29
RISK FACTORS .....	30
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS .....	32
LEGAL PROCEEDINGS .....	32
RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT .....	32
RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS.....	32
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	32
MATERIAL CONTRACTS .....	33
OTHER MATERIAL FACTS .....	33
DIVIDEND POLICY.....	33
PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	33
FINANCIAL STATEMENTS .....	34
CERTIFICATE OF THE CORPORATION.....	52
CERTIFICATE OF PROMOTER .....	53
CERTIFICATE OF AGENT .....	54

## GLOSSARY

“**Administration Fee**” means the administration fee payable by the Company to the Agent of \$15,000.

“**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.

“**Agency Agreement**” means the agency agreement dated ●, 2020, between the Company and the Agent in respect of the Offering.

“**Agent**” means Canaccord Genuity Corp.

“**Agent’s Commission**” means the commission payable in cash by the Company to the Agent equal to 10% of the gross proceeds of the Offering.

“**Agent’s Warrants**” means the non-transferable warrants granted by the Company to the Agent to acquire up to that number of Common Shares equal to 10% of the number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of 24 months from the Listing Date.

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

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

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

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

“**Associate**” when used to indicate a relationship with a person or company, means

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including,
  - (i) that person’s spouse or child, or

- (ii) any relative of the person or of his or her spouse who has the same residence as that person;
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the TSX Venture Exchange Rule Book with respect to that Member firm, Member corporation or holding 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.

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

“**Charitable Stock Options**” means non-transferable options to be granted on the Listing Date to the Charity, an Eligible Charitable Organization, to purchase up to 60,000 Common Shares at a price of \$0.10 per Common Share for a period of the earlier of: (a) five years from the Listing Date; and (b) the 90<sup>th</sup> day following the date the Charity ceases to be an Eligible Charitable Organization.

“**Charity**” means the Funding for Life Society.

“**Closing**” means the completion of the Offering.

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

“**Company**” means Israel Capital Canada Corp.

“**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.

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.

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

“**CPC**” or “**Capital Pool Company**” means a corporation:

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

“**CPC Policy**” means Exchange Policy 2.4 – Capital Pool Companies.

“**Eligible Charitable Organization**” means:

- (a) any “Charitable Organization” or “Public Foundation” which is a “Registered Charity”, but is not a “Private Foundation” (as such terms are defined in the Tax Act), or
- (b) a “Registered National Arts Service Organization” (as such term is defined in the Tax Act).

“**Escrow Agreement**” means the escrow agreement dated March 6, 2020, among the Company, Olympia Trust Company, as the Escrow Agent, and certain shareholders of the Company.

“**Exchange**” or “**TSX-V**” means the TSX Venture Exchange Inc.

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

“**Incentive Stock Options**” means the non-transferable options to purchase Common Shares to be granted on the Listing Date to directors and officers of the Company pursuant to the Option Plan that was adopted by the Board of Directors of the Company on February 25, 2020.

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

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

“**IPO**” means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus.

“**Listing Date**” means the date on which the Common Shares are first listed 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**” has the meaning in Rule A.1.00 of the *TSX Venture Exchange Rule Book*.

“**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 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 Qualifying Transaction”** means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.

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

**“Option Plan”** means the 10% rolling stock option incentive plan adopted by the Company’s Board of Directors on February 25, 2020.

**“person”** means a company or an individual.

**“Preferred Shares”** means preferred shares in the capital of the Company.

**“Principal”** means:

- (a) a person or company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a person or company 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 or company 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. Any securities of the issuer that they hold will be subject to escrow requirements.

**“Pro Group”** means:

- (a) Subject to subparagraphs (b), (c) and (d) “Pro Group” shall include, either individually or as a group:
  - (i) the Member;
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;
  - (iv) Affiliates of the Member; and
- (b) Associates of any parties referred to in subparagraphs (i) through (iv) above;

- (c) 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;
- (d) 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; and
- (e) The Exchange may deem a person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
  - (i) the person is an Affiliate or Associate of the Member acting at arm's length of the Member;
  - (ii) the Associate or Affiliate has a separate corporate and reporting structure;
  - (iii) there are sufficient controls on information flowing between the Member and the Associate or Affiliate; and
  - (iv) the Member maintains a list of such excluded persons.

**“Professional Person”** means a person whose profession gives authority to a statement made by the Professional Person in the person's professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist.

**“promoter”** has the meaning specified in section 1(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* 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.

**“Responsible Solicitor”** means the solicitor who is primarily responsible for the preparation of or for providing advice to the Company or Agent with respect to the contents of the prospectus.

**“Resulting Issuer”** means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin. “SEDAR” means System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investment funds across Canada.

**“Seed Shares”** means securities issued before an issuer's IPO, or by a private Target Company before a reverse take-over bid, change in business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading.

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

**“Sponsor”** has the meaning specified in *Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements*.

**“Sponsor Report”** means the report to be provided to the Exchange by the Sponsor.

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

“**Tax Act**” means the *Income Tax Act* (Canada).

“**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.

<b>Company:</b>	Israel Capital Canada Corp.								
<b>Business of the Company:</b>	The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. See “ <b>Business of the Company</b> ”.								
<b>Offering:</b>	A total 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 British Columbia, Alberta, and Ontario. In addition, the Company will grant the Agent’s Warrants to the Agent to purchase up to such number of Common Shares as is equal to 10% of the number of Common Shares sold pursuant to the Offering, at a price of \$0.10 per Common Share, exercisable for a period of 24 months from the Listing Date. This prospectus also qualifies the grant of the Agent’s Warrants, the grant of Incentive Stock Options to the directors and officers of the Company entitling the purchase of, in aggregate, 400,000 Common Shares and the grant of Charitable Stock Options entitling the purchase of 60,000 Common Shares. The Incentive Stock Options and Charitable Stock Options are to be granted on the Listing Date. The Incentive Stock Options are exercisable for a period of 5 years from the Listing Date and the Charitable Stock Options are exercisable until the earlier of: (a) five years from the Listing Date and (b) the 90th day following the date the Charity ceases to be an Eligible Charitable Organization. See “ <b>Use of Proceeds</b> ”, “ <b>Plan of Distribution</b> ” and “ <b>Options to Purchase Securities</b> ”.								
<b>Use of Proceeds:</b>	The net proceeds to the Company from prior issuances of Common Shares and the Offering, after the payment of the Agent’s Commission and all other costs and expenses relating thereto, are estimated to be \$292,327. The net proceeds of the Offering and proceeds from the prior sale of Common Shares will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds realized by the Company in respect of the sale of its securities or \$210,000 may be used for purposes other than evaluating businesses or assets. See “ <b>Use of Proceeds</b> ”, “ <b>Business of the Company</b> ” and “ <b>Risk Factors</b> ”.								
<b>Directors &amp; Officers:</b>	The directors and officers of the Company are as follows: <table><tr><td>Stephen Davis</td><td>Chief Executive Officer, President, Director, &amp; Promoter</td></tr><tr><td>Hari Varshney</td><td>Chief Financial Officer and Director</td></tr><tr><td>Bradley Aelicks</td><td>Director</td></tr><tr><td>Dr. Keith Pyne</td><td>Director</td></tr></table>	Stephen Davis	Chief Executive Officer, President, Director, & Promoter	Hari Varshney	Chief Financial Officer and Director	Bradley Aelicks	Director	Dr. Keith Pyne	Director
Stephen Davis	Chief Executive Officer, President, Director, & Promoter								
Hari Varshney	Chief Financial Officer and Director								
Bradley Aelicks	Director								
Dr. Keith Pyne	Director								
<b>Escrowed Securities:</b>	All of the currently issued and outstanding Common Shares of the Company, being 4,000,000 Common Shares, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over								

---

a period of up to three years after the date of the Final Exchange Bulletin. See “**Escrowed Securities**”.

**Risk Factors:**

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Company’s business and its present stage of development. The Company was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there may be potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company. Assuming completion of the Offering, investors acquiring Common Shares offered under this prospectus will suffer an immediate dilution of approximately 33% or \$0.033 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and investors may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. Dr. Keith Pyne, a director of the Company, resides outside of Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process in Canada. See “**Corporate Structure**”, “**Business of the Company**”, “**Directors, Officers and Promoters**”, “**Use of Proceeds**”, “**Risk Factors**” and “**Enforcement of Judgments Against Foreign Persons**”.

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

---

## CORPORATE STRUCTURE

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on August 15, 2019 as “Israel Capital Canada Corp.”.

The head office and registered and records address of the Company is located at #700 - 838 West Hastings Street, Vancouver, British Columbia V6C 0A6.

## BUSINESS OF THE COMPANY

### Preliminary Expenses

The Company incurred approximately \$5,383 in preliminary expenses comprised of legal expenses from the date of incorporation until October 31, 2019. From October 31, 2019 to the date of this prospectus, the Company has incurred additional expenses of approximately \$38,540 related to the retainer deposit, agent’s fees, audit fees, Exchange and securities regulatory authority filing fees. A portion of the proceeds of the Offering will be used to satisfy the obligations of the Company related to the Offering, including the expenses of its legal counsel and auditor and the fees of the Agent, including the Agent’s Commission, the Administration Fee and fees of the Agent’s legal counsel. See “**Use of Proceeds**”.

### Proposed Operations Until Completion of a Qualifying Transaction

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non-Arm’s Length Qualifying Transaction, will also be subject to Majority of the Minority Approval in accordance with the CPC Policy. The Company has not conducted commercial operations. The sector in which the Company will pursue a Qualifying Transaction is not currently known by the Company.

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

Although the Company has commenced the process of identifying potential acquisitions with a view to completing a qualifying transaction, the Company has not entered into an Agreement in Principle.

### Method of Financing Participation or Acquisitions

The Company may use either cash, bank financing, issuance of treasury shares, public financing of debt or equity, or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Company and may cause shareholders’ interest in the Company to be further diluted.** See “**Risk Factors**”.

### Criteria for Qualifying Transaction

The Board of Directors of the Company 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 Company and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The acquisition of - or participation in - companies, assets, or businesses may arise in numerous ways. The Company has not established pre-determined criteria for such acquisitions or participations 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 rate of return.

## **REGULATORY AND SHAREHOLDER APPROVAL**

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

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

- (a) file the filing statement on SEDAR 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 filing statement is available on SEDAR; or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain Majority of the Minority Approval of the Qualifying Transaction or other requisite approval at a meeting of shareholders.

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

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

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

## Initial Listing Requirements

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

## Trading Halts, Suspension and Delisting

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

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

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

A trading halt may also be imposed by the Exchange where the Company 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 Company fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Company where the Exchange has not issued a Final Exchange Bulletin to the Company within 24 months of the Listing Date. In the event that the Common Shares of the Company are delisted by the Exchange, within 90 days from the date of such delisting, the Company 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 Company, determine to deal with the Company or its remaining assets in some other manner. See "**Shareholder Approval of a Non-Arm's Length Qualifying Transaction**" and "**Refusal of Qualifying Transaction**".

If the Company does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Company must:

- (a) either:
  - (i) cancel all escrowed Common Shares purchased by Non-Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Company had delisted from the Exchange, or
  - (ii) subject to majority shareholder approval, cancel the escrowed Common Shares purchased by Non-Arm's Length Parties to the Company so that the average cost of the remaining seed shares is at least equal to the Offering price; and

- (b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non-Arm's Length Parties of the Company.

If the Company lists the Common Shares on NEX it must continue to comply with all requirements and restrictions of the CPC Policy.

### **Refusal of Qualifying Transaction**

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

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

collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

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

## **USE OF PROCEEDS**

### **Proceeds and Principal Purposes**

The gross proceeds to the Company from prior sales of Common Shares and the sale of Common Shares pursuant to the Offering will be \$400,000. The Company estimates that it will incur approximately \$107,673 (including prior expenses relating to incorporation, the Agent's Commission of \$20,000 and the Administration Fee of \$15,000) in expenses pertaining to the costs of this Offering prior to Closing, of which \$43,923 has been incurred to date. The Company expects the funds available to it on completion of the Offering will be approximately \$292,327.

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

<b>Proceeds and Expenses</b>	<b>Amount</b>
Cash proceeds raised prior to the Offering <sup>(1)</sup>	\$ 200,000
Approximate expenses and costs incurred by the Company relating to incorporation of the Company, prior issuances of Common Shares.	\$ 383
Cash proceeds to be raised pursuant to the Offering <sup>(3)</sup>	\$ 200,000

Proceeds and Expenses	Amount
Approximate expenses and costs relating to the Offering (including legal fees and disbursements), filing fees, listing fees, the Administration Fee, the Agent's Commission and preparation for the year-end audit. <sup>(2)</sup>	\$ 107,290
<b>Estimated funds available (on completion of Offering)</b>	<b>\$ 292,327</b>
Funds available for identifying and evaluating assets or business prospects <sup>(4)</sup>	\$ 232,327
Estimated general and administrative expenses until Completion of the Qualifying Transaction	\$ 60,000
<b>Total net proceeds</b>	<b>\$ 292,327</b>

**Notes:**

- (1) See "Prior Sales".
- (2) A deposit of \$15,000 was paid by the Company to the Agent as a retainer against the Agent's expenses.
- (3) In the event the Agent exercises the Agent's Warrants, there will be available to the Company an additional \$20,000, which will be added to the working capital of the Company. In the event all Incentive Stock Options and Charitable Stock Options are exercised, there will be available to the Company an additional \$46,000, which will be added to the working capital of the Company. There is no assurance that all, or any part of, the Agent's Warrants, the Incentive Stock Options or the Charitable Stock Options will be exercised.
- (4) In the event that the Company enters into an Agreement in Principle prior to spending its available funds on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

### Permitted Use of Proceeds

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

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

1. valuations or appraisals;
2. business plans;
3. feasibility studies and technical assessments;
4. sponsorship reports;
5. engineering or geological reports;

6. financial statements, including audited financial statements;
7. fees for legal and accounting services; and
8. agents' fees, costs and commissions;

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

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

### **Restrictions on Use of Proceeds**

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

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

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

### **Private Placements for Cash**

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

### **Prohibited Payments to Non-Arm's Length Parties**

Except as described under "Options to Purchase Securities" and "Restrictions on Use of Proceeds", the Company has not made, and until the Completion of the Qualifying Transaction will not make, any payment

of any kind, directly or indirectly, to a Non-Arm's Length Party to the Company or a Non-Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

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

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

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

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

## **PLAN OF DISTRIBUTION**

### **Agency Agreement and Agent's Compensation**

Pursuant to the Agency Agreement, the Company has appointed the Agent to offer for sale to the public in the provinces of British Columbia, Alberta and Ontario, on a "commercially reasonable efforts" basis, 2,000,000 Common Shares, as provided in this prospectus, at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$200,000, subject to the terms and conditions of the Agency Agreement. The Agent will receive the Agent's Commission equal to 10% of the gross proceeds of the Offering. In addition, the Company will pay to the Agent the Administration Fee of \$15,000. The Company will reimburse the Agent for its expenses incurred pursuant to the Offering. The Company has paid to the Agent a retainer of \$15,000 against the Agent's expenses.

The Company has also agreed to grant to the Agent the Agent's Warrants to purchase up to such number of Common Shares as is equal to 10% of the number of Common Shares sold under the Offering, being an aggregate of 200,000 Common Shares, at an exercise price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Listing Date. The grant of the Agent's Warrants is qualified under this prospectus. Not more than 50% of the aggregate number of Common Shares which can be acquired by the Agent on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Company has agreed to grant the Agent a right of first refusal for all brokered equity financings (or securities convertible into equity) the Company proposes to undertake until that day which is the earlier of:

- (a) the date of the closing of the Company's Qualifying Transaction and
- (b) the date which falls 24 months from the Listing Date.

Within such period, the Company agrees to deliver to the Agent written notice of the terms of any proposed brokered equity financing (or securities convertible into equity), or proposed engagement by another dealer. The Company has also agreed to grant the Agent a right of first refusal to provide sponsorship services for any Qualifying Transaction of the Company, if a sponsor is required by the Exchange. Upon receipt of notice from the Company of any transactions described above, the Agent shall have 10 days to deliver an engagement agreement, or waive this right, such waiver of its right of first refusal shall be only for that specific transaction.

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

### **Commercially Reasonable Efforts Offering and Minimum Distribution**

The total Offering consists of 2,000,000 Common Shares at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$200,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total number of Common Shares offered under this prospectus, or 40,000 shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this prospectus, or 80,000 shares. The funds received from the Offering will be deposited with the Agent and will not be released until the entire offering of \$200,000 has been deposited. The total subscription must be raised within 90 days of the date that a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

### **Other Securities to be Distributed**

The Company on the Listing Date will grant to its directors and officers Incentive Stock Options to purchase, in aggregate, 400,000 Common Shares at an exercise price of \$0.10 per Common Share, and on the Listing Date will grant to the Charity the Charitable Stock Options, in accordance with the policies of the Exchange, to purchase, in aggregate, 60,000 Common Shares at an exercise price of \$0.10 per Common Share. The Incentive Stock Options are exercisable until the date that is 5 years after the Listing Date in accordance with the policies of the Exchange. The Charitable Stock Options are exercisable until the earlier of: (a) five years from the Listing Date and (b) the 90th day following the date the Charity ceases to be an Eligible Charitable Organization. The Incentive Stock Options and Charitable Stock Options are qualified for distribution under this prospectus. See “**Options to Purchase Securities**”.

### **Determination of Price**

The price of the Common Shares offered pursuant to the Offering was determined by arm’s length negotiation between the Company and the Agent in accordance with the CPC Policy.

### **Listing Application**

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

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities,

on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

### **Subscriptions by and Restrictions on Agent**

The Agent has advised the Company that, to the best of its knowledge and belief, neither it, nor any of its directors, officers, employees or contractors or any Associate or Affiliate of the foregoing has subscribed for Common Shares of the Company prior to the date hereof.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the total issued and outstanding Common Shares of the Company exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four-month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by *Exchange Policy 3.2 - Filing Requirements and Continuous Disclosure*.

### **Restrictions on Trading**

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

## **DESCRIPTION OF SECURITIES DISTRIBUTED**

The Company is authorized to issue an unlimited number of Common Shares, of which, as of the date hereof, 4,000,000 Common Shares are issued and outstanding as fully paid and non-assessable. Additionally, the Company is also authorized to issue an unlimited number of Preferred Shares, of which, as of the date hereof, no Preferred Shares are issued and outstanding.

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share ratably the remaining assets of the Company, subject to the rights of holders of the Preferred Shares.

The holders of Preferred Shares are entitled to receive notice and attending or vote at any general meetings of the shareholders only if it is provided for in the special rights and restrictions attached to any particular series. The holder of Preferred Shares may have attached thereto preferences, privileges, rights, restrictions, conditions or limitations with regards to dividends, whether cash or otherwise, voting, the right to convert such shares into Common Shares or otherwise, including, without limitation: the redemption or purchase of Preferred Shares by the Company; retraction privileges; sinking funds or funds for the purchase or redemption of Preferred Shares; payment of dividends on any other shares of the Company; redemption, purchase or other retirement of any shares of the Company or of any subsidiary of the Company; the exercise by the Company of any right to elect that any one or more dividends are to be paid out of one or more special surplus accounts recognized for tax purposes; subdivision, consolidation or reclassification of

any shares of the Company; borrowing by the Company or any subsidiary of the Company; the creation or issue of any debt or equity securities by the Company or any subsidiary of the Company including the issue of any Preferred Shares in addition to the Preferred Shares at any time outstanding; reduction of capital by the Company or any subsidiary of the Company; retirement of notes, bonds or debentures or other indebtedness of the Company or any subsidiary of the Company; conduct of the business of the company or investment of its funds; meetings of holders of Preferred Shares; and the right of holders of Preferred Shares to convert or exchange such shares into shares of any class of the Company or into or for any other securities of the Company or into or for shares or securities of any other corporation. Holders of Preferred Shares are also entitled, on the distribution of assets of the Company on liquidation, dissolution or winding up of the Company to receive, before any distribution shall be made to the holders of the Common Shares with respect to repayment of capital on any such event, the amount required to be paid in accordance with the special rights and restrictions attached to the series of shares held by them.

In addition, up to 2,000,000 Common Shares are reserved for issuance pursuant to this prospectus, up to 200,000 Common Shares are reserved for issuance and may be issued upon the exercise of the Agent’s Warrants, 460,000 Common Shares are reserved for issuance and may be issued upon the exercise of the Incentive Stock Options and the Charitable Stock Options. See “**Plan of Distribution**” and “**Options to Purchase Securities**”.

Capital	Authorized	Amount Outstanding as of October 31, 2019	Amount Outstanding at Date of the Prospectus	Amount Outstanding Following Completion of Offering
Common Shares	Unlimited	\$100,000 (2,000,000 Common Shares) <sup>(1)(2)</sup>	\$200,000 (4,000,000 Common Shares) <sup>(2)</sup>	\$400,000 (6,000,000 Common Shares) <sup>(3)(4)</sup>
Preferred Shares	Unlimited	Nil	Nil	Nil

**Notes:**

- (1) As at the date of the most recent balance sheet of the Company, it had not commenced commercial operations.
- (2) These Common Shares are subject to escrow restrictions. See “**Escrowed Securities**”.
- (3) The Company will issue up to 200,000 Common Shares upon the exercise of the Agent’s Warrants, up to 40,000 Common Shares upon exercise of the Incentive Stock Options and up to 60,000 upon the exercise of the Charitable Stock Options. See “**Plan of Distribution**” and “**Options to Purchase Securities**”.
- (4) Before deducting the costs and expenses of the Offering, estimated to be \$107,673, including the Agent’s Commission and the Administration Fee, and not including the costs of incorporation and prior sales of Common Shares, being \$383. See “**Use of Proceeds**”.

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

The Board of Directors of the Company has adopted a 10% rolling stock option incentive plan (the “**Option Plan**”) pursuant to which it may from time to time, in its discretion and in accordance with the Exchange requirements, grant to “**Eligible Persons**”, which includes any Directors, Employees and Consultants (as such terms are defined in the Option Plan) non-transferable options to purchase Common Shares (collectively, the “**Incentive Stock Options**”) exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, Eligible Persons under the Option Plan are the Company’s

directors, officers or technical consultants (where permitted by applicable securities laws) and their permitted assigns; and following Completion of the Qualifying Transaction by the Company, any director, executive officer, employee, consultant, investor relations person or management company employee of the Company or any affiliate of the Company and their permitted assigns (as those terms are defined by the policies of the Exchange and *National Instrument 45-106 – Prospectus and Registration Exemptions*, as amended from time to time).

The aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate such number of Common Shares as is equal to 10% of the Common Shares issued and outstanding at the time of a grant; provided that, for so long as the Company is a CPC under the policies of the Exchange, such number cannot exceed 10% of the aggregate number of Common Shares issued and outstanding upon completion of the Company’s initial public offering, which, presuming the Offering is completed as proposed, is a reserve of 600,000 Common Shares. 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. If an option holder does not carry on as a director, officer or technical consultant of the Company upon Completion of the Qualifying Transaction, then such option holder’s options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “**Escrowed Securities**”.

### Incentive Stock Options

The Company’s Board of Directors has agreed to grant on the Listing Date to its directors and officers Incentive Stock Options to purchase, in aggregate, 400,000 Common Shares (in addition to the Charitable Stock Options to purchase 60,000 Common Shares - see “**Charitable Stock Options**”) according to the following terms:

Name	Number of Common Shares under option <sup>(1)(2)</sup>	Exercise price per Common Share	Expiry date
Stephen Davis	100,000	\$0.10	5 years from the Listing Date
Hari Varshney	100,000	\$0.10	5 years from the Listing Date
Bradley Aelicks	100,000	\$0.10	5 years from the Listing Date
Dr. Keith Pyne	100,000	\$0.10	5 years from the Listing Date
<b>Total:</b>	<b>400,000</b>		

**Note:**

- (1) In accordance with Exchange policies, all Common Shares acquired on exercise of Incentive Stock Options prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “**Escrowed Securities**”.
- (2) Does not include the Charitable Stock Options to be granted to the Charity. See “**Charitable Stock Options**”.

The Incentive Stock Options to purchase 400,000 Common Shares to be granted to the Company’s directors and officers on the Listing Date (subject to regulatory approval) are qualified for distribution pursuant to this prospectus.

### Charitable Stock Options

In addition to the Incentive Stock Options to be granted under the Stock Option Plan, in accordance with the Exchange Policy 4.7, the Company proposes to grant on the Listing Date non-transferable Charitable Stock Options to the Funding for Life Society (previously defined as the “**Charity**”), an Eligible Charitable Organization, to purchase 60,000 Common Shares. The Charitable Stock Options are exercisable at a price of \$0.10 per share until the earlier of the date that is five years from the Listing Date and the 90<sup>th</sup> day from the date that the Charity ceases to be an Eligible Charitable Organization. The aggregate number of Common Shares issuable upon exercise of options granted to Eligible Charitable Organizations cannot exceed 1% of the total number of Common Shares (calculated on a non-diluted basis adjusted for any stock splits or consolidations) outstanding immediately after the closing of this Offering and such options, together with options granted to directors, officers, or technical consultants shall not exceed 10% of the issued and outstanding Common Shares. The Company is relying on Exchange Policy 4.7 which provides that after an issuer completes its closing of an initial public offering and becomes an issuer listed on the Exchange, such issuer’s charitable options and the securities that are issuable upon their exercise will be treated by the Exchange as a separate reserve of securities that will not be applied toward the limits prescribed by the Exchange for options that may be granted by an issuer under its stock option and stock purchase plans or other share compensation arrangements, provided that all of the issuer’s outstanding charitable options conform in every respect to the provisions of sections 2 and 3.1 of Exchange Policy 4.7. The Charitable Stock Options to be granted to the Charity (subject to regulatory approval) are qualified for distribution pursuant to this prospectus.

## PRIOR SALES

Since the date of incorporation of the Company, 4,000,000 Common Shares have been issued as set out below and are currently outstanding as follows:

Date	Number of Common Shares	Issue Price per Share	Aggregate issue price	Consideration received
August 15, 2019	1 <sup>(1)</sup>	\$ 1.00	\$ 1.00	Cash
August 15, 2019	1,500,000 <sup>(2)</sup>	\$ 0.05	\$ 75,000.00	Cash
September 4, 2019	500,000 <sup>(2)</sup>	\$ 0.05	\$ 25,000.00	Cash
December 16, 2019	2,000,000 <sup>(2)</sup>	\$ 0.05	\$ 100,000.00	Cash
<b>Total:</b>	<b>4,000,001</b>			

**Notes:**

- (1) The incorporation share was repurchased then cancelled by the Company. The share was returned to treasury as of August 15, 2019.
- (2) All of these shares were issued to Insiders and are subject to escrow. See “**Escrowed Securities**”.

## ESCROWED SECURITIES

### Securities Escrowed Prior to the Completion of Qualifying Transaction

All of the 4,000,000 Common Shares issued prior to the Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non-Arm’s Length Parties of the Company either under the

Offering or otherwise prior to Completion of the Qualifying Transaction, and all Common Shares acquired by members of the Aggregate Pro Group prior to the Offering will be deposited with Olympia Trust Company pursuant to the terms of the Escrow Agreement.

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

The following table sets out, as at the date hereof, the number of Common Shares of the Company that will be held in escrow pursuant to the terms of the Escrow Agreement.

Name and municipality of residence of shareholder	Number of Common Shares held in escrow	Percentage of Common Shares prior to completion of Offering	Percentage to be owned assuming completion of Offering <sup>(1)</sup>
Stephen Davis, Mill Bay, BC	1,000,000	25.0%	16.67%
Hari Varshney, Vancouver, BC	500,000 <sup>(2)</sup>	12.5%	8.33%
Bradley Aelicks, North Vancouver, BC	500,000	12.5%	8.33%
Dr. Keith Pyne, New York, NY	1,000,000	25.0%	16.67%
Yolanda Hadid Family Trust, Harrisburg, PA	1,000,000 <sup>(3)</sup>	25.0%	16.67%
<b>Total:</b>	<b>4,000,000</b>		

**Notes:**

- (1) Assuming that no Common Shares are purchased by these shareholders pursuant to the Offering and before the exercise of the Agent's Warrants, the Incentive Stock Options and the Charitable Stock Options. See "**Plan of Distribution**" and "**Options to Purchase Securities**".
- (2) Common shares held through Varshney Capital Corp., a company 33.33% beneficially owned and controlled by Hari Varshney.
- (3) Yolanda Hadid is the trustee of the Yolanda Hadid Family Trust whose beneficiaries are the individual members of Yolanda Hadid's family: Yolanda and her children Jelena "Gigi", Isabella "Bella", and Anwar.

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

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

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

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

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

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Company, or
- (b) if the Company lists on NEX board of the Exchange, either:
  - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the Company at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, or
  - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non-Arm's Length Parties to the Company so that the average cost of the remaining Seed Shares is at least equal to the Offering price under this prospectus.

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

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

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

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and
  - (i) at least 75% of the proceeds from the private placement are not from Principals of the Company or the proposed Resulting Issuer,
  - (ii) if subscribers, other than Principals of the Company 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 legally or beneficially own, directly or indirectly, 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof.

Name and municipality of residence of shareholder	Type of Ownership	Number of Common Shares held in escrow	Percentage of Common Shares prior to completion of the Offering	Percentage to be owned assuming completion of Offering <sup>(1)(2)</sup>
Stephen Davis, Mill Bay, BC	Direct	1,000,000	25.0%	16.67%
Hari Varshney, Vancouver, BC	Indirect <sup>(3)</sup>	500,000	12.5%	8.33%
Bradley Aelicks, North Vancouver, BC	Direct	500,000	12.5%	8.33%
Dr. Keith Pyne, New York, NY	Direct	1,000,000	25.0%	16.67%
Yolanda Hadid Family Trust, Harrisburg, PA	Direct <sup>(4)</sup>	1,000,000	25.0%	16.67%
<b>Total:</b>		<b>4,000,000</b>	<b>100.00%</b>	<b>66.67%</b>

**Notes:**

- (1) Assuming that no Common Shares are purchased by these shareholders pursuant to the Offering and before the exercise of the Agent’s Warrants, the Incentive Stock Options and the Charitable Stock Options. See “**Plan of Distribution**” and “**Options to Purchase Securities**”.
- (2) The fully diluted share capital of the Company will be 6,660,000 Common Shares, assuming the exercise of Incentive Stock Options, the Charitable Stock Options and Agent’s Warrants. On a fully diluted basis, Mr. Davis will hold 16.52%

of the issued and outstanding shares of the Company. On a fully diluted basis, Mr. Varshney will hold 9.01% of the issued and outstanding shares of the Company. On a fully diluted basis, Mr. Aelicks will hold 9.01% of the issued and outstanding shares of the Company. On a fully diluted basis, Dr. Pyne will hold 16.52% of the issued and outstanding shares of the Company. On a fully diluted basis, the Yolanda Hadid Family Trust will hold 15.02% of the issued and outstanding shares of the Company.

- (3) Mr. Varshney holds 500,000 Common Shares indirectly through Varshney Capital Corp., a company that Mr. Varshney has 33.33% control over.
- (4) Yolanda Hadid is the trustee of the Yolanda Hadid Family Trust whose beneficiaries are the individual members of Yolanda Hadid's family: Yolanda and her children Jelena "Gigi", Isabella "Bella", and Anwar.

## DIRECTORS, OFFICERS AND PROMOTERS

The following table sets out, for each of the Company's directors, officers and promoters, the person's name, positions with the Company, municipality of residence, principal occupation(s) during the five years prior to the date of this prospectus and the date the person became a director or an officer of the Company. The term of office of each of the directors will expire at the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time.

Name, Residence and Current Position with the Company	Date Appointed	Principal Occupation or Employment during the Past Five Years	Number of Common Shares <sup>(2)</sup>	Percentage on Completion of Offering <sup>(3)(4)</sup>
Stephen Davis CEO, President, Director, and Promoter Mill Bay, BC	08/15/19	President and C.E.O. HISco Ventures Inc. (June 2007 to present)	1,000,000	16.67%
Hari Varshney <sup>(1)</sup> CFO and Director Vancouver, BC	08/15/19	Principal with Varshney Capital Corp. (1999 to present); director and/or executive officer of various publicly traded companies.	500,000 <sup>(5)</sup>	8.33%
Bradley Aelicks <sup>(1)</sup> Director North Vancouver, BC	09/04/19	President Pyfera Growth Capital Corp. (May 2016 to present); Independent consultant (October 2010 to May 2016)	500,000	8.33%
Dr. Keith Pyne <sup>(1)</sup> Director New York, NY	08/15/19	Chiropractor – New York State (January 2000 to present)	1,000,000	16.67%

**Notes:**

- (1) Members of the Audit Committee. The Company does not have any other committees.
- (2) These shares are subject to escrow restrictions (see "**Escrowed Securities**") and do not reflect a total of up to 400,000 Common Shares issuable on exercise of Incentive Stock Options to be granted to the Company's directors and officers, on the Listing Date (see "**Options to Purchase Securities**").
- (3) Assuming no Common Shares are purchased by such persons pursuant to the Offering.
- (4) As of the date of this prospectus, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, 75% (3,000,000 Common Shares) of the issued and outstanding Common Shares of the Company. Following completion of this Offering, the directors and officers of the Company, as a group, will beneficially own, directly or indirectly 50% of the Company's issued and outstanding Common Shares, assuming no Common Shares are purchased by such persons pursuant to the Offering.

- (5) Mr. Varshney holds 500,000 Common Shares indirectly through Varshney Capital Corp., a company that Mr. Varshney has 33.33% control over.

In addition to any other requirements of the Exchange, the Exchange expects management of the Company to meet a high management standard. The directors and officers of the Company 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.

## **Management of the Company**

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years. None of the Company's directors or officers are employees or independent contractors of the Company, and none of the Company's directors or officers have entered into a non-competition or non-disclosure agreement with the Company.

### **Stephen Davis – Age: 62 - Chief Executive Officer, President, Director and Promoter**

Mr. Davis is the Chief Executive Officer, President and a director of the Company and has served in these positions since August 15, 2019. He is also the promoter of the Company.

Mr. Davis is the President and CEO of HISco Ventures Inc., a private corporation through which Mr. Davis offers his services as a consultant (June 2007 to Present). He is also the co-inventor and Chairman of Wave Force Electronics Inc., a private BC incorporated company focused on optimizing body function through the utilization of frequencies (May 2007 to present). He is the CEO of Venture Development Canucks Inc., a private BC incorporated company, involved in global venture development and private capital investment (November 2013 to present). Mr. Davis also co-founded in January 2006, the Charity, being Funding for Life Society, a charitable organization with the purpose of providing financial assistance to those who are in need of healthcare services not covered by the Canadian Universal Health Care Plan.

Mr. Davis will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

### **Hari Varshney – Age: 77 –Chief Financial Officer and Director**

Mr. Varshney is the Chief Financial Officer and a director of the Company and has served in these positions since August 15, 2019.

Hari Varshney, a Chartered Accountant since 1971, was elected a Fellow of the Institute of Chartered Accountants in 2004. He obtained his B. Comm (1960) and M. Comm (1962) from Agra University in India. Since 1999 he has focused on the capital markets through Varshney Capital Corp., a merchant banking, venture capital and corporate advisory firm of which he is a director and cofounder. He is currently a director and/or officer of several public companies listed on the TSX Venture Exchange. Mr. Varshney has been involved in various businesses including solar powered energy, mining, and technology. See “**Other Reporting Issuer Experience**”.

Mr. Varshney will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

### **Bradley Aelicks – Age 59 – Director**

Mr. Aelicks is a director of the Company and has held this position since September 4, 2019.

Mr. Aelicks is the President and Director of Pyfera Growth Capital Corp, a private investment corporation that he co-founded in 2016. Pyfera invests in early stage technology companies with a 50% slant to impact

and sustainable investments. Mr. Aelicks' 32 years of experience in managing and providing consulting services to public companies brings a broad range of experience to the Company. He has served as a director and officer on over ten public companies from 1987 to 2011 and has been involved in numerous mergers and acquisitions on both the TSX and TSX Venture Exchange. In 2003, Mr. Aelicks co-founded B&D Capital Partners, a consulting firm that assisted public companies in capital raising, deal structure, and investor networking. Mr. Aelicks is a director of TrimLock Inc., a manufacturer of acrylic stucco wall panels and skirting for prefab homes and metal fencing panels. He also serves as an adviser to Ronin8 Technologies Inc. a private company pioneering a processing technique to recover the full spectrum of metals in electronic waste. Mr. Aelicks was a former adviser to HempCo Food and Fibre Inc., a hemp seed processor and retailer recently taken over by Aurora Cannabis Inc. and a former director of AMPD Game Technologies Inc., which provides high speed internet service and hardware to the online gaming and film industry

Mr. Aelicks will devote the time necessary to perform the work required in connection with the management of the Corporation and the completion of the Qualifying Transaction.

**Dr. Keith Pyne – Age: 55 - Director**

Dr. Pyne is a director of the Company and has served in this position since August 15, 2019.

Dr. Pyne is a licensed chiropractor who has a private practice in New York City and is medical advisor to various professional sports organizations. He is recognized as a rehabilitation specialist accelerating advanced injury recovery and peak performance achievement for professional and Olympic athletes and Fortune 2000 executives around the world. Dr. Pyne is Chairman of the Medical Board of the Washington Nationals baseball team, where he pioneered a proactive medical analytic/data model for injury prevention. In addition to his role as medical analytics performance advisor for the NY Islanders, Dr. Pyne is responsible for player treatment and staff education.

Dr. Pyne will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

**Reporting Issuer Experience**

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors and officers of other issuers that are or were reporting issuers in a Canadian jurisdiction.

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market <sup>(1)</sup>	Position(s)	Term From - To
Hari Varshney	PKS Capital Corp.	TSXV	Director CEO & CFO	Jan. 2019 – Present Jan. 2019 – Present
	Blissco Cannabis Corp. (formerly Trigen Resources Inc.)	CSE	Director President	Jan. 2017 – Feb. 2018 Jan. 2017 – Feb. 2018
	Margaret Lake Diamonds Inc. (formerly JDV Capital Corp.)	TSXV	Director President, CEO	Feb. 2011 – Mar. 2015
			CFO, Secretary	June 2011 – April 2014
Minaean SP Construction Corp.	TSXV	Director	Aug. 2013 – Present	

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market <sup>(1)</sup>	Position(s)	Term From - To
			CFO	Aug. 2015 - Present
	Open Gold Corp.	TSXV	Director CEO, President	Aug. 2009 - Mar. 2017 July 2013 – Mar. 2017
	Voti Detection Inc. (formerly Steamsand Capital Corp.)	TSXV	Director CEO, CFO, Secretary	May 2017 – Nov. 2018 May 2017 – Nov. 2018
	Westbay Ventures Inc. (formerly Afrasia Mineral Fields Inc. Cryptanite Blockchain Technologies Corp. and currently Intellabridge Technology Corp.)	CSE	Director	Jan. 2017 – Mar. 2018

**Note:**

- (1) “CSE” is the Canadian Securities Exchange, the “NEX” is a separate board on the Exchange for listed companies that no longer meet the Exchange’s ongoing listing standard, and the “TSXV” is the TSX Venture Exchange.

## Promoter

Stephen Davis, the Chief Executive Officer, President and a Director of the Company, took the initiative in founding the Company and is therefore deemed to be its “promoter” within the meaning of the Securities Act (British Columbia). Mr. Davis owns 1,000,000 Common Shares representing 25% of the Company’s total issued and outstanding share capital as of the date of this prospectus. In addition, the Company on the Listing Date will grant to Mr. Davis Incentive Stock Options to purchase up to 100,000 Common Shares. See “Principal Shareholders” and “Options to Purchase Securities”.

## Corporate Cease Trade Orders or Bankruptcies

No director, officer, insider or promoter, or a shareholder holding a sufficient number of securities to affect materially the control of the Company is (or has been within ten years before the date of the prospectus) 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 exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## Penalties or Sanctions

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

## Personal Bankruptcies

None of the directors, officers, insiders or promoters of the Company or shareholders holding a sufficient number of securities of the Company to materially affect the control of the Company has, during the past 10 years, been declared bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

## Indebtedness of Directors and Officers

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

## Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Company will be subject in connection with the operation of the Company. The directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. See "**Directors, Officers and Promoters**" and "**Interests of Directors, Officers & Others in Material Transactions**". Accordingly, situations may arise where the directors, officers, insiders and promoters will be in direct competition with the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives. Conflict, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

## INTERESTS OF DIRECTORS, OFFICERS & OTHERS IN MATERIAL TRANSACTIONS

The Promoter and the directors and officers of the Company have acquired Common Shares in the seed capital phase of the Company. In addition, each of the directors and officers of the Company will be granted the Incentive Stock Options pursuant to the Company's Stock Option Plan. See "**Principal Shareholders**" and "**Options to Purchase Securities**".

## EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a Non-Arm's Length Party to the Company 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 Company 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 Company may reimburse Non-Arm's Length Parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursements**"). Since the Company's incorporation and as at the date of this prospectus, no Permitted Reimbursements have been made. No reimbursement may be made for any payment made to lease or buy a vehicle. The directors and officers of the Company will be granted Incentive Stock Option on the Listing Date, and in the future may be, granted Incentive Stock Options (see "**Options to Purchase Securities**").

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

## DILUTION

Assuming completion of the Offering, investors acquiring Common Shares offered under this prospectus will suffer an immediate dilution of approximately 33% or \$0.033 per Common Share, on the basis of there being 6,000,000 Common Shares of the Company issued and outstanding upon completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised pursuant to the Offering and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Company.

Gross proceeds of prior share issues	\$ 200,000.00
Gross proceeds of this Offering	\$ 200,000.00
<b>Total gross proceeds after this Offering</b>	<b>\$ 400,000.00</b>
Offering price per share	\$ 0.100
Proceeds per share after this Offering	\$ 0.067
Dilution per share to subscriber	\$ 0.033
Percentage of dilution in relation to offering price	33%

## ELIGIBILITY FOR INVESTMENT

In the opinion of Venture Law Corporation, counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force on the date hereof, provided the Common Shares are listed on a "**designated stock exchange**" (as such term is defined in the Tax Act and which currently includes the Exchange) or the Company is otherwise a "**public corporation**" (as that term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "**qualified investment**" under the Tax Act for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "**registered retirement income fund**" ("**RRIF**"), "**tax-free savings account**" ("**TFSA**"), "**registered education savings plan**" ("**RESP**"), "deferred profit sharing plan" and "**registered disability savings plan**" ("**RDSP**"), as those terms are defined in the Tax Act (collectively, the "**Plans**"). **Holders**

**who intend to hold Common Shares in a Plan should consult their own tax advisors regarding whether such securities are a “qualified investment” at the relevant time for such Plan.**

The Common Shares are not currently listed on a “**designated stock exchange**” and the Company is not currently a “**public corporation**”, as those terms are defined in the Tax Act. It is counsel’s understanding that the Company has applied to list the Common Shares on the Exchange as of the day of or the day before Closing, followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on Closing. The Company must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on Closing and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on a “**designated stock exchange**” (which currently includes the Exchange) at the time of their issuance on Closing and the Company is not otherwise a “**public corporation**” at that time, the Common Shares will not be “**qualified investments**” for the Plans at that time.

Notwithstanding that a Common Share may be a qualified investment for a TFSA, RRRSP, RRIF, RDSP or RESP (a “**Registered Plan**”), the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such Common Shares are a “prohibited investment” for the Registered Plan for purposes of the Tax Act. The Common Shares will generally be a “**prohibited investment**” for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length with the Company for the purposes of the Tax Act or has a “**significant interest**” (as defined in the Tax Act) in the Company. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are “excluded property” within the meaning of the Tax Act for the Registered Plan.

**Holders, subscribers or annuitants who intend to hold Common Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

## **RISK FACTORS**

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

- (a) the Company has a limited operating history, has not commenced commercial operations and has no assets other than cash.
- (b) the Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future;
- (c) the Company will be in competition with other corporations with greater resources;
- (d) investment in the Common Shares offered by this Prospectus is highly speculative given the proposed nature of the Company’s business and its present stage of development;
- (e) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “**Conflicts of Interest**”;
- (f) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of \$0.033 per Common Share or 33% as set forth under “**Dilution**” above;
- (g) there can be no assurance that an active and liquid market for the Company’s Common Shares will develop and an investor may find it difficult to resell its Common Shares;

- (h) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (i) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (j) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (k) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (l) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;
- (m) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- (n) trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (o) the Exchange will generally suspend trading in the Company's Common Shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date;
- (p) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (q) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (r) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company 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 Company;
- (s) subject to prior acceptance by the Exchange, the Company 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 Company will be able to recover that loan; and
- (t) if the Company does not list the Common Shares on the Exchange as contemplated herein under the heading "**Eligibility for Investment**", adverse tax consequences may arise with respect to Common Shares held in RRSPs, RRIFs, TFSA's, deferred profit-sharing plans and registered education savings plans.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company 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.

## **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS**

Dr. Keith Pyne, a director of the Company resides outside of Canada. Dr. Pyne has appointed Venture Law Corporation, 838 West Hastings Street, Suite 700, Vancouver, British Columbia V6C 0A6, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## **LEGAL PROCEEDINGS**

The Company is not party to any legal proceedings, nor to the best of its knowledge are any legal proceedings threatened or pending.

## **RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT**

The Company is not a “**related issuer**” or a “**connected issuer**” of or to the Agent (as such terms are defined in *National Instrument 33-105 – Underwriting Conflicts*). See “**Plan of Distribution**”.

## **RELATIONSHIP BETWEEN THE COMPANY AND PROFESSIONAL PERSONS**

Certain legal matters relating to this Offering will be passed upon Venture Law Corporation, on behalf of the Company. Any remuneration for legal services provided to the Company are subject to the restrictions set forth in the CPC Policy.

No Professional Person, Responsible Solicitor, or a partner of a Responsible Solicitor’s firm (as these terms are defined in the CPC Policy) holds any beneficial interest - direct or indirect - in any securities or properties of the Company or of an Associate or Affiliate of the Company.

No Professional Person is or is expected to be elected, appointed, or employed as a director, senior officer, employee, or promoter of the Company or of an Associate or Affiliate of the Company.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditor of the Company is Davidson and Company LLP, of 1200-609 Granville Street, Vancouver, British Columbia V7Y 1G6.

The transfer agent and registrar for the Common Shares of the Company is Olympia Trust Company, of Suite 1900, 925 West Georgia Street, Vancouver, BC V6C 3L2.

## MATERIAL CONTRACTS

Since incorporation, the Company has not entered into any contracts material to investors in the Common Shares other than contracts in the ordinary course of business and the following:

- a) the Escrow Agreement dated March 6, 2020, among the Company, Olympia Trust Company as Escrow Agent and certain shareholders of the Company (see “**Escrowed Securities**”);
- b) the Option Plan; and
- c) the Agency Agreement dated ●, 2020, between the Company and the Agent (see “**Plan of Distribution**”).

Copies of these agreements will be available for inspection at the offices of 700 - 838 West Hasting Street, Vancouver, British Columbia, V6C 0A6 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.

## OTHER MATERIAL FACTS

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

## DIVIDEND POLICY

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

## PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provide 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 several provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, or in some jurisdictions damages, if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

**FINANCIAL STATEMENTS**

**Israel Capital Canada Corp.**

**Financial Statements and  
Independent Auditor's Report**

**August 15, 2019 to October 31, 2019**

# Israel Capital Canada Corp.

## Index

### Page

Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	38
Statement of Loss and Comprehensive Loss	39
Statement of Changes in Shareholders' Equity	40
Statement of Cash Flows	41
Notes to Financial Statements	42

# INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Israel Capital Canada Corp.

## *Opinion*

We have audited the accompanying financial statements of Israel Capital Canada Corp. (the "Company"), which comprise the statement of financial position as at October 31, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on August 15, 2019 to October 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2019, and its financial performance and its cash flows for the period from incorporation on August 15, 2019 to October 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

## *Basis for Opinion*

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

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

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

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

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

## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Vancouver, Canada

\_\_\_\_\_, 2020

Chartered Professional Accountants

**Israel Capital Canada Corp.**  
**Statement of Financial Position**  
(Expressed in Canadian dollars)

**October 31, 2019**

---

**ASSETS**

**Current assets**

Cash held in trust \$ 100,000

---

**Total assets** \$ **100,000**

---

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities**

Accounts payable and accrued liabilities \$ 5,383

---

**Total liabilities** **5,383**

**Shareholders' equity**

Share capital (Note 5) 100,000

Deficit (5,383)

---

**Total shareholders' equity** 94,617

---

**Total liabilities and shareholders' equity** \$ **100,000**

---

Corporate information and continuance of operations (Note 1)

Subsequent Events (Note 10)

**Approved by the Board**

/s/ Stephen Davis

Director

/s/ Hari Varshney

Director

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

**Israel Capital Canada Corp.**  
**Statement of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

**From Incorporation on  
August 15, 2019 to October 31, 2019**

---

**EXPENSES**

Professional fees	\$ 5,000
Organizational costs	383
<hr/>	
<b>Loss and comprehensive loss for the period</b>	<b>\$ (5,383)</b>
<hr/>	
Net loss per share – Basic and Diluted	\$ (0.003)
<hr/>	
Weighted average shares outstanding – Basic and Diluted	-
<hr/>	

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

**Israel Capital Canada Corp.**  
**Statement of Changes in Shareholders' Equity**  
(Expressed in Canadian dollars)

	<b>From Incorporation on August 15, 2019 to October 31, 2019</b>			
	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Deficit</b>	<b>Shareholders' Equity</b>
<b>Balance at August 15, 2019</b>	-	\$ -	\$ -	-
Issuance of incorporation share	1	1	-	1
Cancellation of incorporation share	(1)	(1)	-	(1)
Issuance of shares for cash (Note 5)	2,000,000	100,000	-	100,000
Net loss for the period	-	-	(5,383)	(5,383)
<b>Balance at October 31, 2019</b>	<b>2,000,000</b>	<b>\$ 100,000</b>	<b>\$ (5,383)</b>	<b>\$ 94,617</b>

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

**Israel Capital Canada Corp.**  
**Statement of Cash Flows**  
(Expressed in Canadian dollars)

**From Incorporation on  
August 15, 2019 to October 31, 2019**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss for the period	\$ (5,383)
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	5,383
<b>Net cash used in operating activities</b>	<b>-</b>

---

**CASH FLOWS FROM FINANCING ACTIVITIES**

Shares issued for cash	100,000
<b>Net cash provided by financing activities</b>	<b>100,000</b>

---

<b>Change in cash during the period</b>	<b>100,000</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 100,000</b>

---

**Non-cash investing and financing activities:**

Except for transactions disclosed elsewhere in the financial statements, there were no non-cash investing or financing activities during the period from incorporation on August 15, 2019 to October 31, 2019.

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

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Israel Capital Canada Corp. (the “Company”) was incorporated on August 15, 2019 under the Business Corporations Act (British Columbia). The Company intends to complete an initial public offering of common shares (the “IPO”) after which it will become a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). As a CPC, the Company’s objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 8.

During the period from incorporation on August 15, 2019 to October 31, 2019, the Company issued: (1) 1 common share for \$1.00 upon incorporation. The Company subsequently repurchased this share for the same amount and cancelled the common share; and (2) 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000. The Company’s management believes these funds are sufficient to pay its operating costs for the next 12 months. The Company intends to raise additional equity financing from an additional private placement and from its proposed IPO to provide further short-term liquidity.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

The Company’s registered office address and principal place of business is Suite 700, 838 West Hastings Street, Vancouver, BC, Canada, V6C 0A6.

These financial statements were authorized for issue by the Board of Directors on March 6, 2020.

**2. BASIS OF PRESENTATION**

**a) 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”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared using the accounting policies set out in Note 3.

**b) Basis of Measurement**

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**2. BASIS OF PRESENTATION (cont'd...)**

**c) Comparative Period Information**

The Company was incorporated on August 15, 2019 and these are the first financial statements to be prepared for the Company. As a result, no comparative period information is provided.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments**

The Company's accounting policies for financial assets are as follows:

*Financial assets – Classification*

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in earnings or loss or other comprehensive income or loss ("OCI"). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes

*Financial assets – Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in earnings or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

*Financial assets – Measurement (cont'd...)*

- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in earnings or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings or loss and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange (loss) gain and impairment expenses in other expenses.
- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings or loss and presented net in the Statement of Loss and Comprehensive Loss within other gains (losses) in the period in which it arises.

Changes in the fair value of financial assets at FVTPL are recognized in profit or loss as applicable.

The Company has implemented the following classifications for financial instruments:

- Cash is classified as an asset at fair value and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur; and
- Financial liabilities comprise accounts payable and accrued liabilities. Accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

*Impairment of financial assets*

The Company assesses on a forward-looking basis the expected credit loss associated with any debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Financing costs**

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

### **3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **Share-based compensation**

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

#### **Income taxes**

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

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

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

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**(Loss) earnings per share**

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. All escrow shares are considered contingently cancellable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation.

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

**Use of estimates and measurement uncertainties**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

*i) Income taxes*

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

**Adoption of new and revised standards and interpretations**

During the period, the company adopted certain new and amended accounting standards, none of which had a material impact on the company’s financial statements in the preparation of these financial statements:

**IFRS 16, Leases**

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. The standard became effective for periods beginning on or after January 1, 2019.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Adoption of new and revised standards and interpretations (cont'd...)**

**IFRS 16, Leases (cont'd...)**

The Company does not have any leases; therefore, the adoption of this standard did not have an impact on the Company's financial statements.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities of the Company are due for professional fees and for administrative and corporate services and are payable within the next 12 months.

**5. SHAREHOLDERS' EQUITY**

**Authorized share capital**

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

During the period from incorporation on August 15, 2019 to October 31, 2019, the Company issued:

- 1 common share for \$1.00 upon incorporation. The Company subsequently repurchased this share for the same amount and cancelled the common share; and
- 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000 (the "Seed Shares")

Upon completion of the IPO and reclassification of the Company as a CPC, the Seed Shares will be transferred to escrow and will be released ratably over an 18-36 month period following the completion of a Qualifying Transaction. Should a Qualifying Transaction not be completed within two years, then one-half of the Seed Shares may be subject to cancellation in accordance with policies of the TSX-V.

In accordance with the Company's accounting policy, weighted average number of shares outstanding excludes shares held in escrow. The Company's shares outstanding during the period from incorporation on August 15, 2019 to October 31, 2019 will be placed in escrow upon closing the IPO and will be contingently cancellable pending the completion of a Qualifying Transaction. As a result, these shares have been excluded from the calculation of basic and diluted loss per share.

**6. RELATED PARTY TRANSACTIONS**

Related parties include anyone having the authority and responsibility for planning, directing and controlling the Company and includes the directors and current executive officers and their close family members and enterprises which are controlled by them.

During the period ended October 31, 2019, the officers and directors of the Company and one independent investor either directly or indirectly subscribed to 2,000,000 shares at a \$0.05 per common share being 100% of the issued and outstanding shares on October 31, 2019.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

## **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company has designated its accounts payable and accrued liabilities as financial liabilities at amortized cost.

### **a) Fair value**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- i) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- iii) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash has been measured at fair value using level 1 inputs. Accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

### **b) Financial risk management**

#### *Credit risk*

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

#### *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 ensures there is sufficient capital to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash as well as anticipated proceeds from the IPO. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding will be required to meet long-term requirements. As at October 31, 2019, the Company had completed a private placement for 2,000,000 shares at a price of \$0.05 per share for total proceeds of \$100,000 to settle current liabilities of \$5,383. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

#### *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 equity prices. As the Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash and cash equivalents, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**8. CAPITAL MANAGEMENT**

Capital is composed of the Company's shareholders' equity and any debt that it may issue. As at October 31, 2019, the Company's shareholders' equity was \$94,617 and it had current liabilities of \$5,383. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date and those anticipated following the close of the IPO will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the aggregate amount that the Company is permitted to spend on certain share issuance costs, professional fees, transfer agent fees, listing and filing fees and other general and administrative costs to the lesser of \$210,000 or 30% of the gross proceeds from share issuances.

**9. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes for the period from incorporation on August 15, 2019 to October 31, 2019 is as follows:

	\$
<b>Loss for the period</b>	(5,383)
Expected income tax recovery	(1,453)
Change in unrecognized deductible temporary differences	1,453
<b>Total income tax recovery</b>	-

The Company's combined federal and provincial tax rate applicable for the period from incorporation on August 15, 2019 to October 31, 2019 was 27%.

The significant components of the Company's unrecorded deferred tax assets as at October 31, 2019 are as follows:

	\$
Non-capital losses available for future periods	1,453
Unrecognized deferred tax assets	(1,453)
<b>Net deferred tax assets</b>	-

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**9. INCOME TAXES (cont'd...)**

The significant components of the Company's temporary differences and unused tax losses that have not been included on the statement of financial position are as follows:

	<b>2019</b>	<b>Expiry date range</b>
Non-capital losses available for future periods	\$ 5,383	2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**10. SUBSEQUENT EVENTS**

**a) Private Placement**

On December 16, 2019, the Company closed a private placement with the officers and directors of the Company and one independent investor for 2,000,000 shares at a price of \$0.05 per share for total proceeds of \$100,000 completing the seed financing.

**b) Incentive stock option plan**

On February 25, 2020, the Board of Directors adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with TSX-V regulations, grant to directors, officers, employees or management company employees, and consultants to the Corporation, 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. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

**c) Initial Public Offering**

On November 28, 2019, the Company entered into a letter of intent with Canaccord Genuity Corp. ("**Canaccord**") pursuant to which Canaccord would act as the Company's agent for the IPO on a commercially reasonable efforts basis. Under the terms of the IPO, the Agent will offer 2,000,000 of the Company's common shares at a price of \$0.10 per share for \$200,000 in gross proceeds. As compensation for agency services, Canaccord would receive a cash commission of 10% of the gross IPO proceeds, a \$15,000 administration fee, reimbursement for out-of-pocket expenses and agent's warrants (the "Agent's Warrants") to purchase up to 200,000 common shares. Each Agent's Warrant would be exercisable to purchase an additional common share in the Company at a price of \$0.10 for a 24-month period from the date the Company's common shares are listed on the TSXV (the "Listing Date").

**d) Incentive Stock Options**

On the Listing Date, the Company will grant 400,000 stock options to directors of the Company. Each option is exercisable at a price of \$0.10 for a period of five years from the Listing Date.

**Israel Capital Canada Corp.**  
**Notes to Financial Statements**

For the period from incorporation on August 15, 2019 to October 31, 2019  
(Expressed in Canadian Dollars)

---

**10. SUBSEQUENT EVENTS (cont'd...)**

**e) Charitable Stock Options**

The Corporation intends to grant on the Listing Date charitable stock options to Funding for Life Society, a charity, to purchase an aggregate of up to 1% of the issued and outstanding common shares, being 60,000 common shares, exercisable at a price of \$0.10 per common share for a period of the earlier of: five years from the Listing Date and the 90th day following the date Funding for Life Society ceases to be an Eligible Charitable Organization, as such terms is defined in the TSX-V policies.

## CERTIFICATE OF THE COMPANY

DATE: March 6, 2020

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

/s/ Stephen Davis

---

Stephen Davis  
Chief Executive Officer and President

/s/ Hari Varshney

---

Hari Varshney  
Chief Financial Officer

On Behalf of the Board of Directors

/s/ Dr. Keith Pyne

---

Dr. Keith Pyne, Director

/s/ Bradley Aelicks

---

Bradley Aelicks, Director

## CERTIFICATE OF PROMOTER

Dated: March 6, 2020

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

/s/ Stephen Davis

---

Stephen Davis

## **CERTIFICATE OF AGENT**

Dated: March 6, 2020

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

**CANACCORD GENUITY CORP.**

/s/ Frank Sullivan

---

By: Frank Sullivan  
Vice President, Investment Banking