

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

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

*Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of SponsorsOne Inc. at its head office and principal place of business at 2 Campbell Drive, Suite 307C, Uxbridge, Ontario, Canada L9P 1H6 (Telephone: (647) 400 - 6927) and are also available electronically at [www.sedar.com](http://www.sedar.com).*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in any state, district or commonwealth of the United States of America, its territories or possessions (the "United States") and, subject to certain exceptions, may not be offered or sold, directly or indirectly, within the United States or to or for the account for benefit of any "U.S. Person" (as defined in Regulation S made under the U.S. Securities Act) and under the securities laws of any applicable state. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to or for the account or benefit of a U.S. Person or person within the United States. See "Plan of Distribution".*

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue	May 22, 2018
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**Sponsors  
One™**

Up to 15,098,227 Units  
AND

Up to 1,568,440 Common Shares and 784,220 Warrants issuable  
Upon exercise of 1,568,440 outstanding Special Warrants  
Price: \$0.18 per Unit and \$0.18 per Special Warrant

This short form prospectus is being filed to qualify the distribution: (i) up to 15,098,227 units (the "Units") of SponsorsOne Inc. ("SponsorsOne", "SPO" or the "Corporation") at a price of \$0.18 per Unit (the "Offering Price") for gross proceeds of up to \$2,717,681 (the "Unit Offering"); and (ii) 1,568,440 Units issuable for no additional consideration upon the deemed exercise of 1,568,440 issued and outstanding special warrants of the Corporation (the "Special Warrants"). Each Unit is comprised of one (1) common share of the Corporation ("Common Share") and one half (0.5) common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). This short form prospectus also qualifies the issuance of up to 2,109,844 Agent Options (as defined herein) issuable to the Agent (as defined herein) pursuant to, among other things, the Unit Offering.

Units are being sold hereunder in accordance with an agency agreement (the "Agency Agreement") to be entered into under the Unit Offering between the Corporation and Emerging Equities Inc. (the "Agent"). The Offering Price and the other terms of the Unit Offering were determined by negotiations between the Corporation and the Agent. See "Plan of Distribution".

The Special Warrants were issued on May 16, 2018 (the "Special Warrant Closing Date") pursuant to a special warrant indenture dated May 16, 2018 (the "Special Warrant Indenture") between the Corporation and TSX Trust Company (the "Special Warrant Agent"). The Special Warrants were sold on a private placement basis to purchasers in the provinces (collectively, the "Qualifying Provinces") of British Columbia, Alberta and Ontario (the "Special Warrant Offering" and together with the Unit Offering, the "Offering") at the Offering Price. **The Special Warrants are not**

(ii)

**available for purchase under this short form prospectus and no additional funds are to be received by the Corporation, nor any commission or fees payable by the Corporation in connection with the distribution of the Common Shares, Warrants and if applicable, the Penalty Shares (as defined below) issuable upon exercise of the Special Warrants.** Pursuant to the Special Warrant Indenture, each Special Warrant is exercisable, without payment of any additional consideration, into one Unit at any time on or after the Special Warrant Closing Date, and all unexercised Special Warrants will be deemed to be exercised at 5:00 p.m. (Toronto time) on the date (the "Deemed Exercise Date") that is the earlier of: (i) the fifth business day (the "Qualifying Date") after the date on which the Corporation obtains the Final Passport System Decision Document (as defined below); and (ii) 120 days following the Special Warrant Closing Date. SponsorsOne has covenanted with subscribers for Special Warrants to use its best efforts to obtain a final decision document for a final Prospectus (as defined herein) issued by the Ontario Securities Commission ("OSC") on its own behalf and on behalf of securities commission and regulatory authorities in the Qualifying Provinces (a "Final Passport System Decision Document"). In the event that Final Passport System Decision Document is not obtained on or before the date that is 60 days following the Special Warrant Closing Date (being July 15, 2018) (the "Qualification Deadline"), each Special Warrant shall thereafter, at the Deemed Exercise Date, be deemed to be exercised for no additional consideration and without any further action on the part of the holder, a supplemental 0.1 of a Common Share (each whole share, a "Penalty Share") in addition to the one (1) Common Share and one half (0.5) Warrant which comprise the Unit. This short form prospectus qualifies the distribution of any Penalty Shares issuable upon exercise of the Special Warrants. See "Plan of Distribution".

Each Warrant which forms part of the Units in the Unit Offering and which are issuable upon deemed exercise of the Special Warrants will be issued pursuant to the terms of warrant indentures (the "Warrant Indentures") between TSX Trust Company (the "Warrant Agent"), as warrant agent thereunder. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one (1) Common Share at an exercise price of \$0.30 per share for a period of twelve (12) months following the Deemed Exercise Date, provided that if the closing price at which the Common Shares trade on the Canadian Securities Exchange (the "CSE") (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceeds \$0.55 for five (5) consecutive trading days at any time following the date that is four months and one day after the Deemed Exercise Date, the Corporation may accelerate the expiry date of the Warrants (the "Reduced Warrant Term") to the date that is twenty-one (21) calendar days following the date a press release is issued by the Corporation announcing the Reduced Warrant Term.

The Common Shares are listed and posted for trading on the Canadian Securities Exchange (the "CSE") under the trading symbol "SPO". On May 15, 2018, the last trading day prior to the announcement of the Unit Offering, the closing price of the Common Shares on the CSE was \$0.20. On May 18, 2018, the last trading day prior to the date of this preliminary short form prospectus, the closing price of the Common Shares on the CSE was \$0.20.

	<u>Price to the Public</u>	<u>Fees<sup>(4)(5)</sup></u>	<u>Net Proceeds to the Corporation<sup>(2)</sup></u>
Per Special Warrant	\$0.18	\$0.018 <sup>(1)</sup>	\$0.162
Per Unit	\$0.18	\$0.018 <sup>(2)</sup>	\$0.162
Total <sup>(3)</sup>	\$3,000,000	\$300,000	\$2,700,000

Notes:

- (1) Pursuant to a finder's fee agreement dated April 18, 2018, the Corporation paid Emerging Equities Inc. ("EEI") a fee equal to 10.0% of the aggregate gross proceeds of the sale of Special Warrants (other than in respect of the sale of Special Warrants to certain subscribers identified by another registered dealer who was paid the same commission as EEI for those sales) and issued options (the "Finder's Options") entitling EEI and the other registered dealer to purchase that number of units ("Finder's Units") equal to 10.0% of the total number of Special Warrants issued (other than in respect of the sale of Special Warrants to certain subscribers identified by another registered dealer who was issued Finder's Options in respect of such sales on the same terms). Each Finder's Option is exercisable for one Finder's Unit for a period of twenty four months from the Special Warrant Closing Date at the Offering Price. Each Finder's Unit issued pursuant to the Finder's Options shall be comprised of one (1.0) Common Share and one-half (0.5) of a warrant (each whole warrant, a "Finder's Warrant"). The Finder's Warrants shall be issued on substantially the same terms as the Warrants.
- (2) Pursuant to the Agency Agreement, the Corporation agreed to pay the Agent a fee equal to 10% of the gross proceeds of the Units sold under the Unit Offering (other than in respect of purchasers identified by the Corporation (the "Unit President's List)) and issue that number of options ("Compensation Options" and,

(iii)

together with the Sponsorship Options (as defined herein), the "Agent Options") equal to the number of the Units sold under the Unit Offering. Each Compensation Option shall be exercisable for one (1) Unit (the "Compensation Units" and, together with the Sponsorship Units, the "Agent's Units") at the Offering Price per Unit for a period of twenty four months from the date of closing of the Unit Offering (the "Unit Offering Closing Date"). Each Agent's Unit issued under the Compensation Options or Sponsorship Options, as the case may be, shall be comprised of one (1.0) Common Share and one-half (0.5) warrant (each whole warrant, a "Compensation Warrant" and, together with the Sponsorship Warrants, the "Agent's Warrants"). The Compensation Warrants shall be issued on substantially the same terms as the Warrants.

- (3) After deducting the fees payable to the Agent, but before deducting the expenses of the Offering, which are estimated to be \$300,000 in the aggregate (inclusive of the Sponsorship Fee (as defined below)), which will be paid by the Corporation out of the gross proceeds of the Offering.
- (4) The Corporation has granted to the Agent an option (the "Over-Allotment Option"), exercisable in whole or in part at the sole discretion of the Agent at any time until a date that is 30 days following the Unit Offering Closing Date, to purchase up to an additional 5,555,556 Units on the same terms, including the Offering Price, as set forth above. If the Over-Allotment Option is exercised in full the total Price to the Public, Fee and Net Proceeds to the Corporation set forth in the table above will be \$4,000,000, \$400,000 and \$3,600,000 respectively (before estimated expenses of \$300,000).
- (5) The Corporation has paid the Agent \$30,000 as a sponsorship fee (the "Sponsorship Fee") and will grant the Agent 600,000 options as compensation for sponsorship services under the Unit Offering (the "Sponsorship Options" and, together with the Finder's Options and Compensation Options, the "EEI Options"). Each Sponsorship Option is exercisable for one Unit ("Sponsorship Unit") for a period of twenty-four months from the Unit Offering Closing Date at the Offering Price. Each Sponsorship Unit issued pursuant to the Sponsorship Options shall be comprised of one (1.0) Common Share and one-half (0.5) of a warrant (each whole warrant, a "Sponsorship Warrant" and, together with the Finder's Warrants and Compensation Warrants, the "EEI Warrants"). The Sponsorship Warrants shall be issued on substantially the same terms as the Warrants.

The Corporation has applied for approval to list the Common Shares issuable under the Offering, including the Common Shares: (i) that form a part of the Units issuable under the Unit Offering and upon exercise of the Special Warrants; (ii) issuable as Penalty Shares pursuant to the terms of the Special Warrants; (iii) forming part of the Units issuable upon exercise of the Over-Allotment Option; (iv) issuable on exercise of the Warrants; (v) issuable on exercise of the EEI Options; and (vi) issuable on exercise of the EEI Warrants. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

An investment in the securities of the Corporation should only be made by those persons who can afford the loss of their entire investment. Prospective investors should carefully consider the risk factors described in this short form prospectus or incorporated by reference herein. An investment in the securities of the Corporation involves a high degree of risk. Prospective investors should consider the risk factors described under "Risk Factors" in this short form prospectus and in the Corporation's Annual Information Form (as defined herein) and the other documents incorporated by reference in this short form prospectus, which can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com), before purchasing the Units.

Any Common Shares and Warrants (and if applicable, Penalty Shares) issued upon the exercise of Special Warrants prior to the receipt of a Final Passport System Decision Document will be subject to relevant hold periods under applicable securities legislation.

It is anticipated that the Unit Offering Closing Date will occur as soon as possible after obtaining the Final Passport System Decision Document and is expected to occur on or about June 8, 2018, or such earlier or later date as may be agreed between the Corporation and the Agent but in any event, not later than 90 days after the date of the receipt for the final short form prospectus. See "Plan of Distribution".

**There is no minimum amount of funds that must be raised under the Unit Offering. This means that the Corporation could complete the Unit Offering after raising only a small proportion of the Unit Offering amount set out above.** This Unit Offering is not underwritten. This Unit Offering is made on a reasonable commercial efforts basis by the Agent who conditionally offers the Units, if, as and when issued by the Corporation and accepted by the Agent, in accordance with the terms and conditions contained in the Agency Agreement.

Subject to applicable laws and in connection with the Unit Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Subscriptions for the Units 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. Except in certain limited circumstances: (i) the Common Shares and Warrants sold or issued hereunder will be registered and represented electronically through the non-certificated inventory ("NCI") system of CDS Clearing and Depository Services Inc. ("CDS") in "book-entry only" form; (ii) no certificates evidencing the Common Shares or Warrants will be issued to purchasers unless specifically requested; and (iii) purchasers of Units will receive only a customer confirmation from the Agent or other registered dealer who is a CDS depository participant ("Participant") and from or through whom a beneficial interest in the Common Shares or Warrants is purchased. Such request will need to be made through a Participant through whom the beneficial interest in the securities are held at the time of request. The Special Warrants have been issued as certificated securities. Upon exercise or deemed exercise of the Special Warrants, it is anticipated that evidence of ownership representing the underlying Common Shares and Warrants will be issued in non-certificated book-entry only form and registered to CDS or its nominee and deposited with CDS on the day following the date of exercise or the Deemed Exercise Date. No certificates evidencing Common Shares and Warrants issued upon exercise or deemed exercise of the Special Warrants will be issued to purchasers, except in certain limited circumstances, and registration will be made through the depository services of CDS.

Information contained on the website of the Corporation shall not be deemed to be a part of this short form prospectus or incorporated herein by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Units.

Prospective investors should rely only on the information contained in or incorporated by reference into this short form prospectus. The Corporation has not authorized anyone to provide you with different or additional information. The Corporation is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this short form prospectus or incorporated by reference herein is accurate as of any date other than the date on the front of this short form prospectus or the date contained in the Annual Information Form or other document incorporated by reference into this short form prospectus, as applicable.

There is no market through which the Warrants or Special Warrants may be sold and investors may not be able to resell the Warrants or Special Warrants acquired pursuant to the Offering. This may affect the pricing of the Warrants and Special Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and Special Warrants and the extent of issuer regulation. See "Risk Factors".

Brad Herr, who is the Chief Financial Officer of the Corporation, resides outside of Canada and has appointed the Corporation, at its registered office set forth below, as his agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

The registered office of the Corporation is located at 365 Bay Street, Suite 400, Toronto, Ontario, Canada M5H 2V1 and the head office of the Corporation is located at 2 Campbell Drive, Suite 307C, Uxbridge, Ontario, Canada L9P 1H6.

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## ADVISORIES

### About this Prospectus

Readers should rely only on the information contained in this short form prospectus (including the documents incorporated by reference) and should not rely on some parts of this short form prospectus to the exclusion of others. The Corporation has not, and the Agent has not, authorized any other person to provide investors with additional or different information. If anyone provides you with additional, different or inconsistent information, including information or statements in media articles about the Corporation, readers should not rely on it. The Corporation is not, and the Agent is not, offering the Units in any jurisdiction in which the Unit Offering is not permitted. Investors should assume that the information contained in this short form prospectus is accurate only as of the date on the front of this short form prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this short form prospectus or of any sale of the Units.

Information contained in this short form prospectus should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisors in connection therewith.

The Corporation has not done anything that would permit the offering or distribution of securities under this short form prospectus in any jurisdiction where action for that purpose is required, other than in Ontario, British Columbia and Alberta. Investors are required to inform themselves about, and to observe any restrictions relating to, any offering or distribution of securities under this short form prospectus.

### Forward-Looking Statements

This short form prospectus and the documents incorporated by reference herein contain forward-looking statements and forward-looking information (collectively, "forward-looking statements"). These forward-looking statements relate to future events or the Corporation's future performance. All forward-looking statements contained herein that are not clearly historical in nature constitute forward-looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. In addition, this short form prospectus and the documents incorporated by reference herein may contain forward-looking statements attributed to third party industry sources. Neither the Corporation nor the Agent has independently verified any of the data from independent third-party sources referred to in this short form prospectus or ascertained the underlying assumptions relied upon by such sources. SponsorsOne believes that the expectations reflected in these forward-looking statements are reasonable, however, undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Forward-looking statements in this short form prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- how *SponsorCoin* and *SponsorCloud* will operate and function (as each is defined herein);
- ability of the Corporation to retain and attract skilled persons in the future;
- growth expectations within the Corporation;
- the use of proceeds from the Offering and cash on hand;
- the Corporation's future operating and financial results;
- schedules and timing of certain projects and the Corporation's strategy for growth;
- anticipated industry trends; and
- the listing of the Common Shares comprising the Units, issuable on deemed exercise of the Special Warrants and issuable upon exercise of the Warrants, EEI Options and EEI Warrants;
- obtaining all the required stock exchange and other approvals in connection with the Offering;
- expenses associated with the Offering;

- operating and administrative costs, costs of services and other costs and expenses;
- future liquidity and financial capacity;
- projections of market prices and costs;
- expectations regarding the Corporation's ability to raise capital;
- treatment under government regulatory and taxation regimes; and
- expectations regarding the timing and amounts of anticipated dividend payments.

Although the Corporation believes that the expectations reflected by the forward-looking statements are reasonable, the forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Corporation about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources. The material factors and assumptions used to develop the forward-looking statements include but are not limited to:

- the satisfaction of the conditions to closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals;
- the use of the net proceeds of the Offering;
- no significant adverse changes to markets or competitive conditions;
- no significant delays of the development, construction or commissioning of the Corporation's projects that may result from the inability of suppliers to meet their commitments, lack of regulatory approvals or other governmental actions, harsh weather or other calamitous events;
- no significant unexpected technological or commercial difficulties that adversely affect the Corporation's development plans;
- continuing availability of economical capital resources and demand for the Corporation's products;
- no significant adverse legislative and regulatory changes, in particular changes to the legislation and regulation governing fiscal regimes and environmental issues; and
- stability of general domestic and global economic, market and business conditions.

In addition, forward-looking statements in documents incorporated by reference herein may be based on additional assumptions as disclosed in such documents. Readers are cautioned that the foregoing list of factors is not exhaustive. By its nature, forward-looking statements involve numerous inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur.

Risks and uncertainties are discussed more extensively under the heading "Risk Factors" in the AIF (as defined herein) which is incorporated by reference into this Prospectus.

The forward-looking statements contained in this short form prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this short form prospectus. Except as may be required by applicable securities laws, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this short form prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Investors should read this entire short form prospectus (and the documents incorporated by reference herein) and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of their investment in the Corporation.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in the Qualifying Provinces. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of SponsorsOne Energy Inc. at 2 Campbell Drive, Suite 307C, Uxbridge, Ontario, Canada L9P 1H6 and are also available electronically at [www.sedar.com](http://www.sedar.com).

The following documents filed by the Corporation with securities commissions or similar authorities in Canada are specifically incorporated into this Prospectus:

1. the annual information form of the Corporation for the financial year ended December 31, 2017 dated May 22, 2018 (the "AIF");

2. the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2017 and December 31, 2016 together with the notes thereto (the "Annual Financial Statements") and the auditors' report thereon, dated March 16, 2018;
3. the management's discussion and analysis of the financial condition and results of operations of the Corporation for the year ended December 31, 2017, dated March 19, 2018 (the "Annual MD&A");
4. the material change reported dated April 30, 2018 in respect of the appointment of Mr. Brad Herr as the Chief Financial Officer of the Corporation in replacement of Mr. Arvin Ramos;
5. the material change report dated January 15, 2018 in respect of the closing of a non-brokered private placement for gross proceeds of \$105,000 through the issuance of 2,625,000 units of the Corporation at a price of \$0.04 per unit with each unit consisting of one Common Share and one Common Share purchase warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.05 for a period of 24 months after closing of such sale; and
6. the management information circular dated August 24, 2017.

Any documents of the type required by National Instrument 44-101 – Short Form Prospectus Distributions to be incorporated by reference in a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), marketing materials, financial statements and related management's discussion and analysis, business acquisition reports, information circulars, and press releases issued by the Corporation specifically referencing incorporation by reference into this Prospectus, if filed by the Corporation with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and before the distribution of the securities being qualified hereunder, are deemed to be incorporated by reference in this Prospectus.

Documents referenced in any of the documents incorporated by reference in this short form prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this Prospectus are not incorporated by reference in this short form prospectus.

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

## **MARKETING MATERIALS**

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are used by the Agent in connection with the Unit Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Unit Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this short form prospectus.

## **CONVENTIONS**

Words importing the singular number only include the plural and vice versa and words importing any gender include all genders. Unless otherwise specified, in this short form prospectus (including the documents incorporated by reference herein) all dollar amounts are stated in Canadian dollars, and all references to "dollars" or "\$" are to Canadian dollars. In this short form prospectus, unless otherwise indicated or the context otherwise requires, the terms "SponsorsOne", "Corporation", "we", "us" and "our" are used to refer to SponsorsOne Inc. inclusive of our subsidiaries.



The Annual Financial Statements, incorporated by reference in this short form prospectus, are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

The address of the Corporation's website is [www.SponsorsOne.com](http://www.SponsorsOne.com). Information contained on the Corporation's website is not part of this short form prospectus nor is it incorporated by reference herein. Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Corporation has not authorized any person to provide different information.

The Units and the Agent Options being qualified for distribution under this short form prospectus may only be distributed in those jurisdictions in which offers and sales of such securities are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy Units in any jurisdiction where it is unlawful to do so.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Bryce Bonneville, counsel to the Corporation, based on the provisions of the Income Tax Act (Canada) (the "Tax Act") and the regulations thereunder in force on the date hereof, proposals to amend the Tax Act or the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current published administrative policies and assessing practices of the Canada Revenue Agency, provided that the Common Shares are listed on a "designated stock exchange" (which currently includes the CSE) or the Corporation is a "public corporation" (as that term is defined in the Tax Act), the Common Shares and Warrants would be, if issued on the date hereof, "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan or a tax-free savings account (collectively referred to as the "Registered Plans" or a deferred profit sharing plan ("DPSP")), each as defined in the Tax Act, provided that, in the case of the Warrants, neither the Corporation nor any person dealing at non-arm's length with the Corporation is an annuitant, a beneficiary, an employer, or a subscriber under, or a holder of, the governing plan of such Registered Plan or DPSP.

Notwithstanding that the Common Shares and Warrants may be qualified investments for a trust governed by a Registered Plan, if any of such securities are a "prohibited investment" within the meaning of the Tax Act for a trust governed by a Registered Plan, the holder or the annuitant under the Registered Plan, as the case may be (the "Controlling Individual"), will be subject to a penalty tax as set out in the Tax Act. The Common Shares and Warrants will not be a "prohibited investment" provided that the Controlling Individual does not have a "significant interest" in the Corporation, within the meaning of the prohibited investment rules in the Tax Act, and deals at arm's length with the Corporation. In addition, the Common Shares and Warrants generally will not be a prohibited investment if such securities are "excluded property" as defined in the Tax Act for trusts governed by a Registered Plan.

## **THE CORPORATION**

SponsorsOne Inc. was incorporated under the *Business Corporation Act (Ontario)* under the laws of the Province of Ontario on March 8, 1965 under the name "Superior Copper Mines Limited". The Corporation filed various articles of amendments dated August 8, 1972, March 6, 1979, March 3, 1988, May 9, 1989, January 8, 1990, February 26, 1997 and December 19, 2013 in respect of changes to share capital and other corporate matters including to change of its name to "Mountainview Explorations Inc.", then to "Banro Capital Group Inc." then to "International Infopet Systems Ltd." and finally to "SponsorsOne Inc."

MXM Nation Inc. ("MXM"), a wholly-owned subsidiary of the Corporation, was incorporated under that laws of the Province of Ontario on February 2, 2006 as "Deep Creek Ventures Inc.". On April 4, 2007, MXM changed its name to "MX Mechanics Inc." and on February 5, 2013 MXM changed its name to "MXM Nation Inc."

SponsorsOne Media Inc. ("SPM"), a wholly-owned subsidiary of the corporation, was incorporated under the laws of the State of Delaware on January 11, 2018.

The head office of SPO, MXM and SPM is located at 2 Campbell Drive, Suite 307C, Uxbridge, ON L9P 1H6 and the registered office is located at 365 Bay Street, Suite 400, Toronto, Ontario, Canada M5H 2V1.

## **Business of the Corporation**

The Corporation is developing a proprietary platform ("*SponsorsCloud*") and cryptocurrency ("*SponsorCoin*"). The *SponsorsCloud* platform, *SponsorCoin* cryptocurrency and transaction engine, in combination, are designed to address

social media marketing challenges faced by companies regarding their specific retail product lines such as fashion, specialty food and cosmetics (“Brands”).

Social media marketing is influenced by people known as influencers, who are people in social media that have followings of people, which people take actions based on what a particular influencer buys, does and says. Large influencers charge fees for their social media influence. There are a lot of smaller influencers (“Micro-Influencers”) who have significant followings, sometimes in niche marketing areas who can be influential as well. Social media marketing through Micro-Influencers is challenging due to the difficulty of engagement between Brands, Micro-Influencers, customers and social media advertising and there is little meaningful understanding of the return on investment, costs related to products/services and support given to customers/influencers with no communication channel post advertisement/sponsorship promotion, SPO is developing the *SponsorsCloud* platform and patent pending *SponsorCoin* cryptocurrency. These technologies were designed to address the foregoing issues by creating influencer communities, including Micro-Influencers, for Brands. A "micro-influencer" is an individual consumer that is active on social media but with a small number of subscribers or followers who can have significant effect on buying habits of their followers.

## USING MICRO-INFLUENCERS TO SUCCESSFULLY PROMOTE YOUR BUSINESS



For each Brand represented, the SPO model will help build a network of micro-influencers. The *SponsorsCloud* platform will integrate with social networks and enables the delivery of social media marketing campaigns. This will be facilitated through our proprietary e-commerce platform, *SponsorsCloud*, which will support the exchange of goods and services between brands and Micro-Influencers by the use of *SponsorCoin*. The main objective of the *SponsorsCloud* platform is to build communities of Micro-Influencers for Brands through online, social media and e-commerce channels. Micro-Influencers will work their way up to higher levels of discounts by continuously engaging and transacting with Brands through various social media and e-commerce activities online across all social networks. *SponsorsCloud* will have a mobile application to allow Micro-Influencers to engage with the Brands and their campaigns. SPO will work with Brands to create marketing content to be distributed through various forms of digital distribution such as Facebook, Instagram, YouTube and on demand content distributors for 30 and 60 minute show formats. The Micro-Influencer establishes an account with SPO through which they receive media content, then modify, add to, and deploy this content through their own social networks. Through their SPO Account, this activity is all tracked and verified allowing SPO to assesses the value of this additional content, validates their social media posts and reward the Micro-Influencer with *SponsorCoin*.

*SponsorsOne Media* is a wholly owned Delaware corporation in the U.S. Its purpose is to engage directly with Brands to develop their digital marketing strategy including the production of video, audio, photography, graphics and other web content (“Entertainment Media”). Brands will not be required to pay for the creation of Entertainment Media up front thereby making it more accessible to smaller Brands with limited budgets. Production costs can be offset in some circumstances from distribution partners who often pay for such content. The Entertainment Media will be designed to promote specific Brands and provides content for Micro-Influencers to disseminate to their social network.

*SponsorCoin* will be the currency used to compensate the Influencers for interacting, engaging and creating social media content around a Brand’s campaign. The *SponsorCloud* will monitor all the activity of the Micro-Influencer across all social networks and *SponsorCoins* will be awarded to Micro-Influencers based on criteria set with the Brand such as quantity, quality, and type of engagement (campaign criteria). The more coins the Micro-Influencers earn, the higher the discount level the user will achieve in a tiered format set up by the Brand, entitling the Micro-Influencer to greater discounts and better redemption offers. The Influencer will be able to use their *SponsorCoins* to purchase goods and services from the Brand online through their e-commerce store set up through *SponsorsCloud*. Micro-Influencers will also be able to transfer their *SponsorCoins* to charitable organizations and convert their *SponsorCoins* into Bitcoin, Ethereum and Litecoin cryptocurrencies. Exchanging currency within the *SponsorsCloud* will allow Micro-Influencers to monetize their *SponsorCoin* beyond the marketplace into any currency supported by participating cryptocurrency exchanges.

Additionally, the *SponsorsCloud* platform will track and log relevant data, specifically the engagement activity and movement of *SponsorCoins* between the Micro-Influencers and Brands within the social networks. This data will then be used to perform analysis and provide marketing analysis for Brands. The Brands interactive dash board and its automated content will be available on a subscription-based pricing model based on the size of their influencer community.

### **Recent Developments**

On March 28, 2018, the Corporation announced the appointment of Mr. Brad Herr and the new Chief Financial Officer of the Corporation and the resignation of Mr. Arvin Ramos from that position.

The Corporation received a Notice of (Re) Assessment (the "HST Assessment") from Canada Revenue Agency dated April 28, 2018 regarding GST / HST filings for the period from July 1, 2015 to December 31, 2017, which, if correct, would give rise to \$194,994.27 in HST payable. The Corporation’s tax advisors have advised that there are valid grounds to appeal the assessment and the Corporation is currently in the process of filing a Notice of Objection. Pending the outcome of the appeal process, the Corporation has booked the \$194,994.27 as an amount payable in its second quarter financial statements.

On May 16, 2018, the Corporation issued 1,568,440 Special Warrants under the Special Warrant Indenture at the Offering Price for gross proceeds of \$282,319. Pursuant to the Special Warrant Indenture, each Special Warrant is exercisable, without additional consideration, into one (1) Unit and, if applicable, Penalty Shares. See “Plan of Distribution”.

### **More Information**

For more information on the business of the Corporation, see "General Development of the Business" in the Annual Information Form.

## **CONSOLIDATED CAPITALIZATION**

The following table sets out the capitalization of SponsorsOne as at: (i) December 31, 2017 prior to giving effect to the Offering; (ii) April 30, 2018 prior to giving effect to the Offering; (iii) April 30, 2018 after giving effect to the Special Warrant Offering but prior to giving effect to the Unit Offering; and (iv) April 30, 2018 after giving effect to the Unit Offering. The following table should be read in conjunction with the Annual Financial Statements and the MD&A incorporated by reference in this short form prospectus.

Designation (authorized)	December 31, 2017 before giving effect to the Offering <sup>(1)(2)</sup>	April 30, 2018 before giving effect to the Offering <sup>(1)(2)</sup> (unaudited)	April 30, 2018 after giving effect to the Special Warrant Offering but prior to the Unit Offering <sup>(1)(2)(3)(7)</sup> (unaudited)	April 30, 2018 after giving effect to the Offering <sup>(1)(2)(3)(4)(5)</sup> (unaudited)
<b>Shareholders' Capital</b>				
<i>Common Shares (unlimited)</i>	\$5,075,467 (27,784,712 Common Shares)	\$4,920,467 (30,409,712 Common Shares)	\$5,051,914 (30,409,712 Common Shares)	\$6,518,880 (47,076,379 Common Shares)
<i>Special Warrants</i>	Nil	Nil	\$57,640 (1,568,440 Special Warrants)	Nil
<i>SPO Warrants</i>	\$1,266,525 (9,141,332 SPO Warrants)	\$1,526,525 (11,766,332 SPO Warrants)	\$1,526,525 (11,766,332 SPO Warrants)	\$2,139,025 (11,766,332 SPO Warrants)
<i>Warrants</i>	Nil	Nil	Nil	\$554,860 8,333,333 Warrants)
<i>EEI Options</i>	Nil	Nil	\$5,764 (156,844 EEI Options)	\$150,922 (2,266,667 EEI Options)
<b>Debt</b>				
Equipment Loan <sup>(8)</sup>	\$137,695	\$137,695	\$137,695	Nil <sup>(9)</sup>
Legal Debt <sup>(10)</sup>	\$191,144	\$191,144	\$191,144	Nil <sup>(10)</sup>

Notes:

- (1) As at December 31, 2017, the Corporation had an aggregate of 1,885,000 options to purchase Common Shares outstanding ("**Options**") at a weighted average exercise price of \$0.35. As at April 30, 2018, the Corporation had an aggregate of 3,335,000 Options at a weighted average exercise price of \$0.33.
- (2) As at December 31, 2017, the Corporation had an aggregate of 9,141,332 common share purchase warrants outstanding ("**SPO Warrants**") at a weighted average exercise price of \$0.26. As at April 30, 2018, the Corporation had an aggregate of 11,766,332 SPO Warrants at a weighted average exercise price of \$0.21. The exercise prices range from \$0.05 to \$0.30. 6,709,784 of the Warrants expire on July 5, 2018, 2,350,548 of the Warrants expire on May 8, 2020 and 2,625,000 of the Warrants expire on January 5, 2020.
- (3) 1,568,440 Special Warrants were issued on May 16, 2018 for gross proceeds of \$282,319 less the Finder's Fee of \$28,232 and the estimated expenses of the Special Warrant Offering of \$65,000 for net proceeds to Corporation of \$189,087. In addition to the Finder's Fee, the Corporation issued 156,844 Finder's Options. For additional information on the Special Warrant Offering, see "*The Corporation – Recent Developments*" and "*Plan of Distribution*".
- (4) Based on the issuance of 1,568,440 Common Shares and 7,549,114 Warrants pursuant to the terms of the Special Warrants and the deemed exercise on the receipt of the Final Passport System Decision Document. If the Final Passport Decision Document is issued after the Qualification Deadline, an additional 156,844 Penalty Shares will be issued. See "*Plan of Distribution*".
- (5) Assumes no purchasers under the Unit President's List and the issuance of 15,098,227 Units (15,098,227 Common Shares and 784,220 Warrants) for gross proceeds of \$2,717,681 under the Unit Offering less the Agent's Fee of \$271,768 and the estimated expenses of the Unit Offering of \$235,000 for net proceeds to the Corporation of \$2,210,913. In addition to the Agent's fee, the Corporation will issue 1,509,823 Compensation Options to the Agent in respect of the Unit Offering. If the Over-Allotment Option is exercised in full, the aggregate gross proceeds of the Unit Offering, the Agent's fee, the net proceeds and the number of Compensation Options will be \$3,717,681, \$371,768, \$3,110,913 and 2,065,378, respectively.
- (6) In connection with certain sponsorship activities undertaken by the Agent, the Corporation has paid the Agent fees totaling \$30,000 and has agreed to issue 600,000 Sponsorship Options on the Unit Offering Closing Date.
- (7) Assumes no Special Warrants are exercised, or have been deemed to have been exercised, into Common Shares and Warrants prior to the Unit Offering Closing Date and assumes the Qualification Date occurs on or after the same.
- (8) The Equipment Loans (as defined below) consists of two notes. The first note, originally for \$42,043 was refinanced in February 2012 for a five-year term bearing interest at 7.71%. This loan is secured by equipment and has an outstanding balance on April 30, 2018 of \$28,519. The second note, originally for \$176,910, was also refinanced in February 2012

bearing interest at 7.10% maturing February 2028. This loan is secured by equipment and has an outstanding balance on April 30, 2018 of \$109,177. Both loans are currently delinquent and the Corporation is working with the lenders to resolve the past due amounts.

- (9) Approximately \$139,000 of the proceeds of the Offering will be used to repay the Equipment Loans. See “*Use of Proceeds*”.
- (10) Approximately \$30,000 of the proceeds of the Offering will be used to repay the Legal Debt (as defined below). See “*Use of Proceeds*”.

## USE OF PROCEEDS

The net proceeds to the Corporation from the sale of Special Warrants issued pursuant to the Special Warrant Offering was approximately \$189,087 after deducting the Finder's Fee of \$28,232 and certain expenses of the Corporation (including expenses relating to the preparation and filing of part of this short form prospectus) of \$65,000. The Corporation will not receive any additional cash proceeds upon the deemed exercise of the Special Warrants.

Assuming no purchasers under the Unit President’s List, the net proceeds to the Corporation from the sale of the Units issued pursuant to the Unit Offering (assuming 15,098,227 Units are sold) will be \$2,210,913 after deducting the Agent's Fee of \$271,768, and certain expenses of the Corporation of \$235,000 (including expenses relating to the preparation and filing of part of this short form prospectus). If the Over-Allotment Option is exercised in full and there are no purchasers under the Unit President’s List, the net proceeds to the Corporation will be \$3,110,913 after deducting the Agent's Fee of \$371,768 and certain expenses of the Corporation of \$235,000 (including expenses relating to the preparation and filing of part of this short form prospectus).

The net proceeds of the Special Warrant Offering, being \$189,087, were used to pay the Sponsorship Fee of \$30,000. The balance of the proceeds of \$159,087 will be applied to Technology Development (assuming the net proceeds of the Unit Offering will satisfy the satisfaction of the Equipment Loans and the Legal Debt).

Assuming the sale of 15,098,227 Units, the net proceeds of the Unit Offering, being \$2,210,913, without assuming the exercise of the Over-Allotment Option, are proposed to be used to pay, in order of priority, the Legal Debt, retire the Equipment Loan, refine and further the development of *SponsorsCloud* and *SponsorCoin* (“Technology Development”), to fund their launch in the initial business segments of fashion (“Fashion Vertical”), specialty food (“Specialty Food Vertical”) and e-gaming (“eGaming Vertical”) in the following manner:

Use of Proceeds	Amount
Fashion Vertical Launch	\$ 300,000
Specialty Food Vertical Launch	\$ 300,000
Technology Development	\$ 500,000
eGaming Vertical Launch	\$ 500,000
Retirement of Equipment Loans	\$ 139,000
Payment of Legal Debt	\$ 30,000
Working Capital	<u>\$ 441,913</u>
Total	\$ 2,210,913

If the Over-Allotment Option exercised in full, the additional \$900,000 net proceeds will be used to launch in other market segments, to hire additional employees and consultants to accelerate business development in these segments and for general working capital.

The Corporation has 2 loans outstanding (the “Equipment Loans”) which facilitated the purchase of a vehicle and related equipment which will be used for the mobile production of Entertainment Media. In February 2007, a company controlled by an officer of the Corporation entered into a loan agreement for the purchase of equipment. As the Corporation holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Corporation, and the Corporation has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Corporation’s records. The loan amount was \$42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan. As at December 31, 2017 the balance of this loan was \$28,519. At the date hereof, the principal balance of this loan is \$28,519. In March 2011, an

officer of the Corporation entered into a loan agreement for the purchase of additional equipment. As the Corporation holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Corporation, and the Corporation has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Corporation's records. The loan amount was \$176,910, maturing February 2028 bearing interest at 7.64%. The loan was refinanced at 7.10% in August 2013, with the maturity date unchanged. The equipment serves as collateral for the loan. As at December 31, 2017, the balance of this loan was \$109,177. At the date hereof, the Equipment Loans have a total principal balance of \$137,695 which are classified as current as payments are past due and the loans are now in default and the lenders have demanded immediate repayment. In the event that insufficient funds are raised under the Offering to settle the Equipment Loans in full, the Corporation intends to re-negotiate the Equipment Loans to bring them current and pay them over time in accordance with their original terms.

The Corporation has an agreement with its former legal counsel, for settlement of approximately \$191,144 in outstanding amounts owed by the Corporation (the "Legal Debt") by the payment of \$30,000 and the issuance of 400,000 Common Shares at a deemed price of \$0.18 per Common Share. In the event that insufficient funds are raised under the Offering to pay the Legal Debt, the Corporation intends to re-negotiate the terms of settlement.

The Corporation's business objectives that it hopes to meet with the proceeds of the Offering include:

- Technology Development requires the completion of the mobile app testing and design to support market launch which is expected to cost approximately \$300,000 includes the completion of the Anroid and iOS application and testing. Another \$200,000 in platform deployment into a scalable production system, including server provisioning, security audit and auto-scale testing. Three months for full deployment with 2 months for development and provisioning and 1 month of testing. Other than the President and CEO, the Corporation will use all contracted developers for this work.
- Strengthen the balance sheet of the Corporation and ease burden on cash flow by retiring the Equipment Loans. The Offering must be completed in order to fund this objective. The Corporation expects to complete this by the end of June, 2018
- Launch its business in the Fashion Vertical, Specialty Food Vertical and eGaming Vertical by securing initial Brands which the Corporation believes will occur by the end of June, 2018.
- In order to launch in these segments, the Corporation must complete the Technology Development (September, 2018), hire team members in each segment (June, July and August, 2018).

No minimum amount of funds must be raised under the Unit Offering. This means that the Corporation could close the Unit Offering after only selling a nominal amount of Units. As a result, it is possible that the proceeds of the Unit Offering could be used to finance the Agent's fee and the expenses of the Unit Offering. In order to finance the anticipated expenses of the Unit Offering, the Corporation must raise gross proceeds of not less than \$300,000. In addition, the Corporation must raise an additional \$169,000 to satisfy the Equipment Loans and the Legal Debt. If the Corporation does not raise sufficient net proceeds from the Offering to finance its operations as outlined in the table above, the Corporation will defer such expenditures until such time that it is able to finance these expenditures, which would affect the Corporation's planned operations, liquidity and capital resources. In the event that insufficient funds are raised under the Unit Offering, the Corporation could initially launch in fewer vertical segments or delay such launches until it has the capital to do so.

The use of the net proceeds of the Offering by the Corporation is consistent with the Corporation's above stated business objectives. While the Corporation believes that it has the skills and resources necessary to accomplish its stated business objectives, there are a number of inherent risks. See "Risk Factors" in this short form prospectus and in the AIF.

While the Corporation intends to use the net proceeds from the Offering as stated above, there may be circumstances where a re-allocation of the net proceeds may be advisable for business reasons that management believes are in the Corporation's best interests. Due to the nature of the technology industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Corporation. Accordingly, while the Corporation intends to spend the funds available to it as stated in this short form prospectus, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "Risk Factors".

## PLAN OF DISTRIBUTION

### *Special Warrant Offering*

On the Special Warrant Closing Date, the Corporation completed the sale of 1,568,440 Special Warrants on a private placement basis pursuant to exemptions from the prospectus requirements of applicable securities legislation. In connection with the Special Warrant Offering, the Corporation paid EEI the Finder's Fee in the amount of \$24,218 (and additional finder's fees of \$4,014 to another registered dealer) and issued 134,544 Finder's Options (and additional Finder's Options of 22,300 to another registered dealer). EEI will not receive any additional fees in respect of the distribution of the Common Shares, Warrants and if applicable, Penalty Shares underlying the Special Warrants to be qualified by this short form prospectus.

The Special Warrants were created and issued pursuant to the provisions of the Special Warrant Indenture. The Special Warrant Indenture provides, among other things, that holders of Special Warrants are entitled to receive, at any time after the Special Warrant Closing Date, in respect of each Special Warrant held, without the payment of additional consideration and without any further action on the part of the holder, one Common Share and one-half of a Warrant, subject to adjustment in certain circumstances. All unexercised Special Warrants will be deemed to be exercised, at 5:00 p.m. (Toronto time), on the earlier of: (i) five days following the issuance of the Final Passport System Decision Document; and (ii) one hundred and twenty days following the May 16, 2018 (being September 13, 2018).

Pursuant to subscription agreements with the subscribers of the Special Warrants, SponsorsOne has agreed to use its best efforts to obtain a Final Passport System Decision Document by no later than the Qualification Deadline. In the event that the Final Passport System Decision Document is not obtained on or before the Qualification Deadline, each Special Warrant shall thereafter be exercisable for no additional consideration and without any further action on the part of the holder into one (1) Common Share, one tenth (0.1) of a Penalty Share and one-half (0.5) of a Warrant. This short form prospectus qualifies the distribution of any Penalty Shares issuable upon exercise of the Special Warrants.

Any Units issued upon the exercise of Special Warrants prior to the issuance of a Final Passport System Decision Document will be subject to relevant hold periods under applicable securities legislation. Since the Special Warrant Closing Date, no Special Warrants have been exercised.

### *Unit Offering*

Pursuant to the Agency Agreement to be entered into between the Corporation and the Agent, the Agent will agree to offer for sale, on a commercially reasonable best efforts basis, up to 15,098,227 Units at the Offering Price for gross proceeds of up to \$2,717,681. The Unit Offering is being made in the Qualifying Provinces and, subject to applicable law, may be offered in such other jurisdictions as may be agreed between the Corporation and the Agent.

The Offering is not underwritten. The Offering is made on a commercially reasonable best efforts basis by the Agent who conditionally offers the Units, if, as and when issued by the Corporation and accepted by the Agent, in accordance with the terms and conditions to be contained in the Agency Agreement to be entered into between the Corporation and the Agent. The obligations of the Agent pursuant to the Agency Agreement may be terminated based on the Agent's assessment of the state of the financial markets or if certain events set out in the Agency Agreement occur, including any material adverse change in the business, affairs or financial condition of the Corporation.

No minimum amount of funds must be raised under the Unit Offering. This means that the Corporation could close the Unit Offering after selling a nominal number of Units. It is anticipated that the Unit Offering Closing Date will occur as soon as possible after obtaining the Final Passport System Decision Document and is expected to occur on or about June 8, 2018, or such earlier or later date as may be agreed between the Corporation and the Agent, but in any event, not later than 90 days after the date of the receipt of for the final short form prospectus.

Subscriptions for the Unit Offering 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.

The Corporation has granted to the Agent the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Agent at any time during the period commencing on the date of this short form prospectus and ending on the date that is not later than the date that is 30 days following the Unit Offering Closing Date, to purchase up to

an additional 5,555,556 Units at the Offering Price. This short form prospectus qualifies the Units being issued pursuant to the Over-Allotment Option.

In consideration for the services provided by the Agent in connection with the Unit Offering and pursuant to the terms of the Agency Agreement, the Corporation has agreed to pay the Agent a cash amount equal to 10.0% of the aggregate gross proceeds of the Unit Offering, other than purchasers under the Unit President's List (including for greater certainty, any proceeds raised through the sale of Units pursuant to the exercise of the Over-Allotment Option) and issue that number of Compensation Options equal to the number to 10% of the number of Units sold pursuant to the Unit Offering. In addition, the Corporation has agreed to pay certain expenses incurred by the Agent in connection with the Offering as set out in the Agency Agreement and indemnify the Agent, their affiliates and their respective partners, directors, officers and employees against certain liabilities and expenses and to contribute to payments that the Agent may be required to make in respect thereof.

Pursuant to policy statements of certain Canadian provincial securities commissions and similar authorities, the Agent may not, throughout the period of distribution, bid for or purchase Common Shares for its own account or for accounts over which it exercises control or direction. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. Such exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and stock exchanges, including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market-making activities, and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws, pursuant to the first-mentioned exception, in connection with the Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

#### *General Matters pertaining to the Offering*

The Offering Price and the other terms of the Unit Offering were determined by negotiations between SponsorsOne and the Agent. SponsorsOne has agreed to indemnify the Agent and their directors, officers, employees, partners and Agent against certain liabilities and expenses in respect of the Unit Offering.

The Common Shares and Warrants comprising the Units and issuable upon exercise of the Special Warrants have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and accordingly, may not be offered or sold within the United States or to or for the account or benefit of U.S. persons unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

None of the Common Shares and Warrants comprising the Units have been or will be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered, sold or delivered within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Agency Agreement, and as expressly permitted by applicable laws of the United States, the Agent will not offer, sell or deliver any securities within the United States. The Agency Agreement will permit the Agent, by or through their U.S. registered broker-dealer affiliates, to offer and sell Units in the United States to Accredited Investors or "qualified institutional buyers" within the meaning of Rule 144A, provided such offers and sales are made in transactions in accordance with Section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D thereunder and similar exemptions under applicable state securities laws. Moreover, the Agency Agreement will provide that the Agent will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

Any Units that are sold in the United States will be restricted securities within the meaning of Rule 144(a)(3) of the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of the Unit Offering, any offer or sale of Units offered within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.



The Corporation has agreed that it will not, without the prior consent of the Agent, which consent shall not be unreasonably withheld or delayed, directly or indirectly, offer or announce the offering of, or enter into or make any agreement or understanding, to issue, sell or exchange or otherwise dispose of (or announce any intention to effect the foregoing) any Units or any securities exchangeable for or convertible into Common Shares, at any time prior to the Unit Offering Closing Date, other than: (i) the grant or exercise of stock options (not in excess of the number of options allowable under the Corporation's existing stock option plan); and (ii) the issue of Common Shares upon exercise of outstanding SPO Warrants or other previously issued securities convertible or exchangeable into Common Shares.

Except in certain limited circumstances: (i) the Units will be issued and deposited in electronic form with CDS or its nominee pursuant to the book based system administered by CDS; (ii) no certificates evidencing the Units will be issued to purchasers of Units; and (iii) purchasers of Units will receive only a customer confirmation from the Agent or other registered dealer who is a Participant and from or through whom a beneficial interest in the Units is purchased. Notwithstanding the foregoing, all purchasers of Units in the United States that are Accredited Investors will receive Units issued in certificated, individually registered form.

The issued and outstanding Common Shares are listed and posted for trading on the CSE under the trading symbol "SPO". On May 18, 2018, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the CSE was \$0.20. The Corporation has applied for approval to list the Common Shares issuable under the Offering, including the Common Shares: (i) that form a part of the Units issuable under the Unit Offering and upon exercise of the Special Warrants; (ii) issuable as Penalty Shares pursuant to the terms of the Special Warrants; (iii) forming part of the Units issuable upon exercise of the Over-Allotment Options; (iv) issuable on exercise of the Warrants; (v) issuable on exercise of the EEI Options; and (vi) issuable on exercise of the EEI Warrants. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

## **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

### *Common Shares*

SponsorsOne is authorized to issue an unlimited number of Common Shares without par value and without special rights or restrictions attached. As of May 22, 2018 there were 30,409,712 Common Shares issued and outstanding. Each Common Share ranks equally with all other Common Shares with respect to distribution of assets upon dissolution, liquidation or winding-up of the Corporation and payment of dividends. The holders of Common Shares are entitled to one vote for each share on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the board of directors of the Corporation. The holders of Common Shares have no pre-emptive or conversion rights. The rights attaching to the Common Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

### *Special Warrants*

The Special Warrants were issued pursuant to the Special Warrant Indenture. Each Special Warrant entitles the holder to acquire one (1) Unit on the earlier of: (i) 120 days following the Special Warrant Closing Date; and (ii) the fifth business day following the receipt of the Final Passport System Decision Document. In the event that the Qualification Condition is not met prior to the Qualification Deadline, holders of each Special Warrant will be entitled to receive, for no additional consideration and in addition to one (1) Unit, one-tenth of a Penalty Share being upon the exercise or deemed exercise of each Special Warrant. See "*Plan of Distribution*" herein for a description of the conversion rights with respect to the Special Warrants.

### *Agent Options*

Each Agent Option entitles the Agent to acquire one Agent's Unit for the Offering Price for a period of twenty four (24) months from the date of issuance thereof. Each Agent's Unit is comprised of one (1) Common Share and one-half of one Agent's Warrant.

### *Warrants*

The Warrants will be issued pursuant to the Warrant Indenture to be entered into between the Corporation and TSX Trust Company, as warrant agent. Each whole Warrant entitles the holder thereof to acquire, subject to adjustment in certain circumstances, one additional Common Share at an exercise price of \$0.30 per share for a period of twelve (12) months following the applicable date of issuance as the case may be, provided that if the closing price at which

the Common Shares trade on the CSE (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceed \$0.55 for five (5) consecutive trading days at any time following the date that is four months and one day after the Unit Closing Date, the Corporation may accelerate the expiry date of the Warrants to the date that is twenty-one (21) calendar days following the date a press release is issued by the Corporation announcing such Reduced Warrant Term. The Agent's Warrants will be issued on terms substantially similar to those of the Warrants other than the expiry date, which will be set at the date that is twenty four (24) months following the Unit Offering Closing Date and not subject to the Reduced Warrant Term.

## PRIOR SALES

The following table summarizes the issuances by the Corporation of Common Shares or securities convertible into Common Shares in the 12-month period prior to the date of this Prospectus:

Type of Security <sup>(1)(2)</sup>	Type of Issuance	Number of Securities <sup>(3)</sup>	Price per Security <sup>(4)</sup>	Date of Issuance
Common Shares	Private Placement	2,350,548	\$0.05	May 8, 2017
Common Share purchase warrants	Private Placement	2,350,548	\$0.15	May 8, 2017
Common Shares	Private Placement	2,625,000	\$0.04	January 5, 2018
Common Share purchase warrants	Private Placement	2,625,000	\$0.05	January 5, 2018
Options	Grant	1,450,000	\$0.30	January 10, 2018
Special Warrants <sup>(5)</sup>	Private Placement	1,568,440	\$0.18	May 16, 2018
Finders Options <sup>(6)</sup>	Private Placement	156,844	\$0.18	May 16, 2018

Notes:

- (1) A reference to "options" represents incentive stock options granted pursuant to the Corporation's incentive stock option plan.
- (2) A reference to "Common Share purchase warrants" represents one full warrant entitling the holder thereof to acquire 1 Common Share for a set price.
- (3) For options and warrants, this represents the maximum number of Common Shares issuable upon exercise of the option or warrant.
- (4) For options and warrants, this represent the exercise price.
- (5) Each Special Warrant is exercisable, for no additional consideration, into one (1) Unit which is comprised of one (1) Common Share and one half (0.5) of a Warrant.
- (6) Each Finders Option is exercisable for one Finder's Unit for a period of twenty four months from the Special Warrant Closing Date at the Offering Price.

## TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the trading symbol "SPO". The following table sets forth information relating to the trading of the Common Shares on the CSE for the periods indicated.

Month	High – Price (\$)	Low – Price (\$)	Volume
May 2017	0.05	0.05	69,000
June 2017	0.05	0.045	38,500
July 2017	0.045	0.035	129,000
August 2017	0.04	0.025	532,333
September 2017	0.03	0.02	1,077,900
October 2017	0.03	0.025	173,000
November 2017	0.075	0.02	1,917,136
December 2017	0.30	0.03	5,656,783
January 2018	0.345	0.13	3,361,260
February 2018	0.245	0.13	1,078,666
March 2018	0.26	0.18	531,372
April 1 2018	0.305	0.17	491,793
May 1 - 18, 2018	0.205	0.19	372,690

On May 18, 2018, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.20.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Bryce Bonneville, counsel to the Corporation, the following is, as of the date of this short form prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires and is a beneficial owner of Common Shares and Warrants acquired pursuant to this Offering, and who, for the purposes of the Tax Act, and at all relevant times, deals at arm's length with, and is not affiliated with the Corporation and the Agent, and who acquires and holds the Common Shares, and any Common Shares acquired pursuant to the exercise of a Warrant (hereinafter collectively referred to as "Common Shares") and the Warrants as capital property (a "Holder"). Generally, the Common Shares and Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use the Common Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as each term is defined in the Tax Act, with respect to the Shares or Warrants. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"). This summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

### **Allocation of Cost**

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Common Share and the Warrant to determine the cost of each to the Holder for purposes of the Tax Act. For its purposes, the Corporation intends to allocate \$0.18 of the Unit Price as consideration for the issue of each Common Share and \$0.00 as consideration for the issue of each Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder's adjusted cost base of the Common Share will be determined by averaging the cost allocated to the Common Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

### **Exercise of Warrants**

The exercise of an Warrant to acquire a Common Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Common Share. When a Warrant is exercised, the Holder's cost of the Common Share acquired thereby will

be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Common Share. The Holder's adjusted cost base of the Common Share so acquired will be determined by averaging the cost of the Common Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to the relevant time.

### **Holders Resident in Canada**

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("Resident Holder"). A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

### **Expiry of Warrants**

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

### **Dividends**

Dividends received or deemed to be received on the Common Shares will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" designated by the Corporation to the Resident Holder in accordance with the provisions of the Tax Act.

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Common Shares must be included in computing its income but generally will be deductible in computing its taxable income. A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income. In addition, pursuant to changes to the Tax Act that were introduced in the 2018 federal budget that was released on February 27, 2018 (the "2018 Budget"), such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding \$50,000 for a particular taxation year. Such Resident Holders should consult their own tax advisor regarding the 2018 Budget.

In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

### **Dispositions of Shares and Warrants**

Upon a disposition (or a deemed disposition) of a Common Share or a Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

### **Capital Gains and Capital Losses**

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year which will include taxable capital gains.

### **Minimum Tax**

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

### **RISK FACTORS**

Given the speculative nature of the business of the Corporation, an investment in the Corporation should only be considered by those persons who can afford a total loss of their investment. The risks presented below should not be considered to be exhaustive and may not represent all of the risks that the Corporation may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations. If any of the risks described below occur, the Corporation's business, financial condition, liquidity and results of operations could be materially harmed:

#### **Insurance Coverage**

The Company currently has no insurance coverage of any kind. The Corporation will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. The Corporation intends to obtain director and officer and general commercial liability insurance in the near future but until that occurs, the Corporation has no coverage. Although the Corporation believes that it will have insurance in place before any the events and amounts of liability are incurred, there can be no assurances. The Corporation believes they will be able to obtain insurance coverage covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Corporation may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Corporation's financial resources, results of operations and prospects could be adversely affected.

#### **Discretion in the Use of Proceeds**

Management will have broad discretion concerning the use of the proceeds of the Offering, as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Corporation's operations may suffer.

#### **Cryptocurrency Regulatory Regimes**

The regulation both in Canada and globally of cryptocurrencies, including *SponsorCoin*, is in a nascent stage continues to evolve any may restrict the use of *SponsorCoin* or otherwise impact the demand for or value of *SponsorCoin* in the future.

#### **Dependence on Proprietary Technology and Limited Protection Thereof**

The Corporation will be relying on a combination of trademark, copyright, patent and trade secret law, as well as confidentiality restrictions contained in certain confidentiality agreements, to establish and protect the Corporation's proprietary rights in its intellectual property. As a result, the Corporation may not be able to adequately prevent a

competitor, business partner or customer from creating or obtaining an illegal copy of its software or otherwise using it for inappropriate purposes such as reverse engineering.

### **Rapid Technological Change**

The advertising industry as it relates to social and digital media marketing is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and emergence of new industry standards and practices that could render the Corporation's existing products and systems obsolete and can exert price pressures on existing products. It is critical to the Corporation's success that it is able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. The Corporation cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Corporation's products obsolete. The process of developing new technology is complex and uncertain, and, if the Corporation fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. The Corporation must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Corporation may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts and may result in increased operating expenses.

### **Limited Operating History and Sales**

The Corporation has a limited operating history on which to base an evaluation of its business, financial performance and prospects. The Corporation's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. The Corporation is in an early stage and is introducing new products and the Corporation's revenues may be materially affected by the decisions, including timing decisions, regarding the introduction of products, efforts to develop a customer base, and other efforts as the Corporation moves from the development stage to an operational stage. In addition, it is also difficult to evaluate the viability of the Corporation's *SponsorsCloud* platform because the Corporation has had limited experience in addressing the risks, expenses and difficulties frequently encountered by tech companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Corporation's target markets. There can be no assurance that the Corporation will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

### **History of Operating Losses**

For the year ended December 31, 2017, the Corporation recorded a net loss from operations. The financial statements have been prepared using International Financial Reporting Standards applicable to a going concern.

### **No Assurance of Profitability**

The Corporation cannot give assurances that it will not incur net losses in the future. The limited operating history makes it difficult to predict future operating results. The Corporation is subject to the risks inherent in the operation of a new business enterprise in an emerging business sector, and there can be no assurance that the Corporation will be able to successfully address these risks.

### **Future Capital Needs; Uncertainty of Additional Funding**

The Corporation may not be able to fully implement and execute its business strategy without additional financing. There can be no assurance that such additional financing will be available, and if available, there can be no assurance that the cost of obtaining such financing will be on favourable or reasonable commercial terms or that financing will not result in substantial dilution to the Corporation's shareholders.

## **INTERESTS OF EXPERTS**

Certain legal matters relating to the Special Warrant Offering and Unit Offering were passed upon by Bryce Bonneville on behalf of the Corporation and certain matters relating to the Unit Offering were passed upon by Burnet, Duckworth & Palmer LLP on behalf of the Agent.

None of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

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

### **AUDITORS, TRANSFER AGENT AND REGISTRAR, SPECIAL WARRANT AGENT AND WARRANT AGENT**

The auditors of the corporation are MNP LLP, at its principal offices in Toronto, Ontario.

The transfer agent and registrar for the Common Shares is TSX Trust Company, at its principal offices in Toronto, Ontario.

### **RIGHTS OF WITHDRAWAL AND RESCISSION**

#### *Special Warrant Offering*

Pursuant to the terms of the subscription agreements between the Corporation and the purchasers of Special Warrants, the Corporation has granted to each holder of a Special Warrant a contractual right of rescission of the private placement transaction pursuant to which the Special Warrants were initially acquired (i.e. the Special Warrant Offering). The contractual right of rescission provides that if a holder of a Special Warrant who acquires a Unit on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus contains a misrepresentation: (a) be entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired; and (b) be entitled in connection with the rescission to a full refund of all consideration paid to the Agent, on the acquisition of the Special Warrant. In the event such holder is a permitted assignee of the interest of the original Special Warrant subscriber, such permitted assignee is entitled to exercise the rights of rescission and refund as if such permitted assignee was the original subscriber.

#### *Unit Offering*

Securities legislation in certain of the Provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province of residence. 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.

#### *Warrants*

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

## CERTIFICATE OF THE COMPANY

Dated: May 22, 2018

This preliminary short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

By: signed "Myles Bartholomew"  
Myles Bartholomew  
Chief Executive Officer, President  
and a Director

By: signed "Brad Herr"  
Brad Herr  
Chief Financial Officer

By: signed "Gary Bartholomew"  
Gary Bartholomew  
Director

By: signed "Stephen Barley"  
Stephen Barley  
Director



## **CERTIFICATE OF THE AGENT**

Dated: May 22, 2018

To the best of our knowledge, information and belief, this preliminary short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

EMERGING EQUITIES INC.

By: *signed "James Hartwell"*  
James Hartwell  
President and Chief Executive Officer