LOOPSHARE LTD.

Annual Information Form
For the Year Ended December 31, 2017

Dated June 14, 2018

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ANNUAL INFORMATION FORM

In this Annual Information Form (this "**AIF**"), unless otherwise noted or the context indicates otherwise, references to the "**Company**", "**we**", "**us**" and "**our**" refer to LOOPShare Ltd.

All financial information in this AIF is prepared in Canadian dollars. The information contained herein is dated as of June 14, 2018, unless otherwise stated.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains certain information that may constitute forward-looking information and forward-looking statements as such terms are defined under applicable Canadian securities laws (collectively, the "**Forward-Looking Statements**") which are based on management's current internal expectations, estimates, projections, assumptions and beliefs. Forward-Looking Statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate", and other similar words, including negative and grammatical variations thereof. The Forward-Looking Statements may include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance and other statements that are not statements of fact. The Forward-Looking Statements are made only as of the date of this AIF. The Forward-Looking Statements include, but are not limited to, statements with respect to:

- our dependence on suppliers and customers;
- our untested business model;
- our ability to attract qualified operators;
- the competitive nature of the transportation sharing market;
- our ability to manage our growth;
- geopolitical risks;
- exchange rate risks;
- regulatory risks;
- our future operations;
- our dependence on key personnel; dilution to present and prospective shareholders;
- access to and availability of funding required for working capital;
- the lack of a market for our securities; and
- our share price.

The Company has made certain assumptions with respect to the Forward-Looking Statements regarding, among other things:

- our intention to ship electric scooters equipped with our devices directly from the manufacturer;

- the development and capabilities of the LOOPShare (as defined herein) platform to enable scooter sharing operations;
- our plan to launch operations by partnering with zone operators worldwide;
- our expectations for obtaining regulatory and certification approvals in a timely manner;
- our plan to continue the development of our devices to provide for manufacturing cost savings;
- our plan to customize the VMOTO electric scooter;
- our plan to obtain certification of the SVD400 device series (as defined herein);
- our plan to commence additional scooter sharing field trials;
- plans to run a scooter technical trial in Japan, plans to own and integrate the WebTrack software, our plan to develop hardware enhancements, new hardware products, and new software in order to continue to provide leading edge technology;
- our expectations in relation to the Berytech Business Arrangement (as defined herein);
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;
- our expectations in relation to a business arrangement with Loop s.a.l. (as defined herein);
- additional advances from BTFII (as defined herein) and the issuance of additional warrants to BTFII; and
- our expectations regarding our OEM (as defined herein) customers and completing such customers' orders; and our expectations in relation to competition and foreign currencies.

The actual results, performance or achievements of the Company could differ materially from those anticipated in the Forward-Looking Statements as a result of the risk factors set forth below and under the heading "Risk Factors", including, but not limited to, risks related to: (i) the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all; (ii) general economic, financial market and regulatory conditions in which the Company operates; (iii) the yield from the Company's operations; (iv) consumer interest in the Company's products; (v) competition; (vi) anticipated and unanticipated costs; (vii) government regulation of the Company's products and operations; (viii) the timely receipt of any required regulatory approvals; (ix) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (x) the Company's ability to conduct operations in a safe, efficient and effective manner; and (xi) the Company's construction plans and timeframe for completion of such plans.

Readers are cautioned that these factors are difficult to predict and that the assumptions used in developing the Forward-Looking Statements may prove to be incorrect. Readers are also cautioned that the list of risk factors contained in this AIF is not exhaustive. Accordingly, readers are cautioned that the Company's actual results may vary from the Forward-Looking Statements, and the variations may be material.

Although the Company believes that the expectations reflected in the Forward-Looking Statements are reasonable, it can give no assurance that such expectations will prove to be correct, and the Forward-Looking Statements are expressly qualified in their entirety by this cautionary statement. The purpose of the Forward-Looking Statements is to provide the reader with a description of management's expectations, and the Forward-Looking Statements may not be appropriate for any other purpose. The reader should not place undue reliance on the Forward-Looking Statements. The Forward-Looking Statements are made as at the date hereof and the Company undertakes no obligation to update or revise any of the Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

GLOSSARY OF TERMS

In addition to terms defined elsewhere in this AIF, the following terms, when used in this AIF, will have the following meanings (unless otherwise indicated):

"**Acquisition**" means the acquisition by the Company of all of the issued and outstanding securities of Saturna pursuant to the Acquisition Agreement;

"**Acquisition Agreement**" means the share exchange agreement dated June 28, 2016, among the Company, Saturna and the securityholders of Saturna, setting forth the terms and conditions of the Acquisition;

"**Audit Committee**" means the Audit Committee of the Board;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Berytech**" means BTFII and BTFM;

"**BTFII**" means Berytech Fund II s.a.l. (Holding);

"**BTFM**" means Berytech Fund Management s.a.l. (Holding);

"**Board**" means the board of directors of the Company;

"**Loop s.a.l.**" means Loop s.a.l., a corporation incorporated pursuant to the laws of Lebanon;

"**LOOP**" or "**LOOPShare**" means the end-to-end scooter-sharing platform comprised of a ruggedized touch screen dashboard display, mobile application, web-based application and a third party electric scooter customized and white labeled for the Company's exclusive use;

"**Mahindra**" means Mahindra Tractor Assembly Inc., a Delaware, USA incorporated subsidiary of Mahindra and Mahindra Limited, an Indian multinational automobile manufacturing corporation headquartered in Mumbai, India;

"**OEM**" means an original equipment manufacturer, being a company that makes a part or subsystem that is used in another company's end product;

"**Option**" means a stock option of the Company;

"**PTO**" means the United States Patent and Trademark Office;

"**Saturna**" means Saturna Green Systems Inc.;

"**Share**" means a class A share in the capital of the Company;

"**Stock Option Plan**" means the Company's 2017 Stock Option Plan, the adoption of which was approved by shareholders on March 30, 2017;

"**SVD400**" means Saturna's SVD400 device series, being a 7" ruggedized touch screen display that replaces the traditional analog dashboard of a two wheel electric vehicle;

"**SVD400G**" means Saturna's SVD400G device, being the SVD400 device with 3G connectivity;

"**Telematics**" refers to the use of wireless devices to transmit data in real time back to an organization and is typically used in the context of management of vehicles and fleets of vehicles; and

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

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (Saskatchewan) on September 25, 2009 under the name "Kenna Capital Corp.". On June 8, 2012, the Issuer changed its name to "Kenna Resources Corp.". The Company completed a continuation out of Saskatchewan and into British Columbia under the BCBCA on September 4, 2014.

On June 28, 2016, the Company completed a consolidation of the issued and outstanding Shares on the basis of 1.469565217 pre-consolidation Shares for each post-consolidation Share.

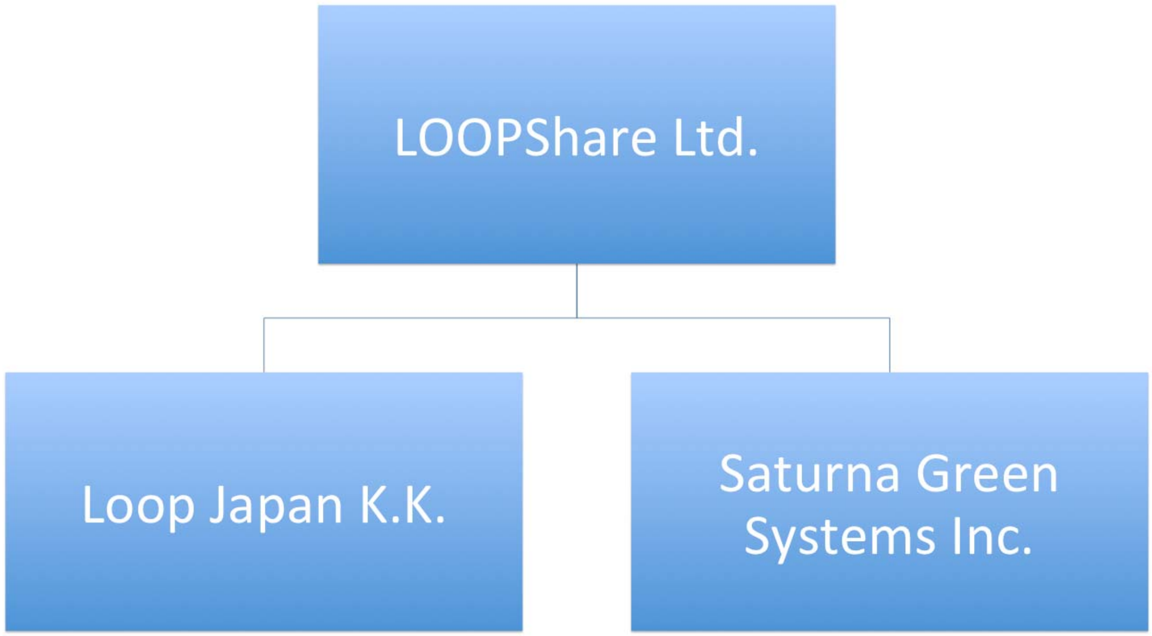
On June 28, 2016, the Company entered into the Acquisition Agreement with Saturna, whereby the Company agreed to acquire all of the outstanding shares of Saturna from the shareholders of Saturna in exchange for the issuance of an aggregate of 26,191,470 Shares. Trading of the Shares on the TSXV was halted on February 18, 2016, pending completion of the Acquisition.

On June 28, 2016, the Company completed a reverse takeover of Saturna by the acquisition of all of the securities of Saturna in exchange for the issuance of Shares of the Company at an exchange ratio of 3.35 Shares for each class A share of Saturna, which represented the Company's Reverse Acquisition Transaction (as defined in the policies of the TSXV). In connection with the completion of the Acquisition, on July 8, 2016, the Company changed its name from "Kenna Resources Corp." to "LOOPShare Ltd." and the trading symbol of the Company changed from "KNA" to "LUP". On November 10, 2016, the Company's trading symbol changed from "LUP" to "LOOP". As a result of the completion of the Acquisition, the Company's principal business activity became that of Saturna.

The Company's head office, principal address and the registered and records office are located at 106 – 131 Water Street, Vancouver, British Columbia V6B 4M3. The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Manitoba.

Intercorporate Relationships

The Company has two wholly-owned subsidiaries, being Saturna Green Systems Inc. and Loop Japan K.K.



Saturna was incorporated under the BCBCA on June 23, 2010 and is 100% owned by the Company. The Company uses this subsidiary for its hardware and lease agreement for its offices in Vancouver, British Columbia. Its head office address is located at 106 – 131 Water Street, Vancouver, British Columbia, V6B 4M3.

Loop Japan K.K. is a company incorporated under the laws of Japan and is a 100% subsidiary of the Company. Its head office address is KDX Shimbashi Building, 5F, 2-2-9 Shimbashi, Minato-ku, Tokyo, 105-0004, Japan.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History of the Company and Saturna

Until June 26, 2016, the Company was an exploration stage company that had not yet generated or realized any revenue from its operations and ceased all resource acquisition and exploration activity.

On December 18, 2015, the Company closed a private placement of 2,177,514 units for gross proceeds of $368,000. Each unit was issued at a price of $0.17 and comprised one Share and one-half of one share purchase warrant. Each warrant entitled the holder to acquire one Share of the Company at a price of $0.37 until December 22, 2017. The Company paid cash finder's fees of $8,064.38 and issued 124,186 finder's warrants to certain finders in connection with the private placement. The finder's warrants were exercisable at a price of $0.37 until December 22, 2017. These warrants expired unexercised.

On January 12, 2016, the Company settled its obligation to a consultant as payment for financial advisory services rendered during the year ended December 31, 2015 in the amount of $12,000 by the issuance of 34,193 Shares.

On January 12, 2016, the Company issued 227,958 Shares as consideration of business development services expensed in the three months ended March 31, 2016 in the amount of $80,000.

On February 3, 2016 and November 14, 2016, the Company entered into a business arrangement (the "**Berytech Business Arrangement**") with BTFII, BTFM, Loop s.a.l., and Anwar Sukkarie for join product development and software licensing. Loop s.a.l. will represent the Company exclusively in several territories for its scooter sharing business, will engage in marketing activities and pay for certain field trails. Loop s.a.l. is owned 59.995% by Anwar Sukkarie, 0.005% by an unrelated third party and 40% by BTFII. BTFII provided an aggregate of USD$1,300,000 of funding to Loop s.a.l. Upon agreement by BTFII, Loop s.a.l. and the Company, among others, BTFII may advance additional funds for a total of USD$2.5 million on similar terms.

The Company issued to BTFII a three-year warrant to acquire 5,732,949 Shares that may be exercised by BTFII at any time for consideration comprised of BTFII's equity interest and BTFII's debt in Loop s.a.l. Therefore, the Company has a potential obligation to purchase Loop s.a.l. should BTFII chose to exercise the warrant.

The Company will increase the number of warrant shares to reflect each additional investment made by BTFII at the prevailing market price at the time the funds are advanced to Loop s.a.l. The consideration upon exercise of the warrants is comprised of USD$1,280,000 in loans payable by Loop s.a.l. to BTFII along with BTFII's equity interest in Loop s.a.l., which currently represents 40% of the issued capital of Loop s.a.l. The additional investment closed on November 14, 2016.

On February 15, 2016 the Company settled its obligation to issue 680,047 Shares for services performed during the year ended December 31, 2015. Of this amount 330,283 shares were issued to a director and officers of the Company.

On March 23, 2016, the Company and Saturna entered into a bridge loan agreement in respect of an initial bridge loan from the Company to Saturna in the amount of $100,000. On April 27, 2016, the Company and Saturna entered into a subsequent bridge loan agreement in respect of a subsequent bridge loan from the Company to Saturna in the amount of $150,000 (both loans together are referred to as the "**Bridge Loan**"). Pursuant to the terms of the loan agreements in respect of the Bridge Loan, the Bridge Loan bore no interest until, and be due on, the earlier of: (a) May 31, 2016 (in respect of the initial advance of $100,000) and June 30, 2016 (in respect of the subsequent advance of $150,000), (b) the termination of the Letter of Intent other than by execution of a definitive agreement in respect of the Acquisition or (c) the date of occurrence of an event of default under the loan agreements in respect of the Bridge Loan. The Bridge Loan was secured by a general security agreement dated March 21, 2016, granting the Company security over all of Saturna's present and after-acquired property, subject to a number of prior charges over specific assets. The Bridge Loan was subject to standard conditions precedent and default provisions for a transaction of this nature, and was forgiven by the Company on closing of the Acquisition.

On May 29, 2016, the Company revised the terms of a royalty agreement that was previously entered into in 2014 with 1022313 B.C. Ltd., a corporation owned by employees of Saturna, with respect to the forgiveness of past salary. Under the revised agreement, a royalty of up to $1,150,000 (the "**Royalty Max**") is to be calculated quarterly and payable in Shares of the Company based the market value on the issue date of such Shares. Directors and officers hold a beneficial interest of 70% of the royalty company and collectively have 33% voting interest.

The revised royalty agreement provides that the royalty will accrue as set out in the table below.

Number of cities to which 55 or more scooters were shipped	Value of royalty
The first (3) cities, in aggregate	$69,000
Each one (1) subsequent city	$34,500

Such royalty amounts will be settled in Shares at a price per share equal to the greater of $0.19 per Share and the market price per Share, where "market price" is defined as a price equal to the Company's 10 day volume weighted average price on the TSXV. The number of Shares issuable pursuant to the agreement will be determined on each of:

- December 31, 2017, in respect of scooters shipped prior to December 31, 2017 (the "**First Record Date**");
- December 31, 2018, in respect of scooters shipped in the preceding year (the "**Second Record Date**"); and
- December 31 of each subsequent year, in respect of scooters shipped in the preceding year, until the Royalty Max is achieved.

If (i) the value of the Shares calculated on the First Record Date or Second Record Date fall below $300,000 or $850,000, respectively, and (ii) the Company has generated positive EBITDA (as defined below) in the fiscal year preceding the applicable record date, then the royalty payable effective each of the First Record Date and the Second Record Date will be increased, only to the extent of 15% of such positive EBITDA, payable in cash or settled by the issuance of Shares, at the option of the Company. "EBITDA" means net earnings before interest, depreciation and taxes, and before non-recurring expenses, engineering costs, software development costs, design costs, research and development costs, commercialization costs including filing of patents and certifications.

On June 28, 2016, the Company converted its outstanding debentures with an aggregate principal amount of $510,000 into 3,399,972 Shares. The debentures accrued interest at a rate of 10% per annum payable at maturity.

On June 28, 2016, the Company settled its obligation by the issuance of 245,076 Shares for accrued remuneration of $49,015 relating to services performed during the year ended December 31, 2012.

In connection with the completion of the Acquisition on June 28, 2016:

- the Company entered into the Acquisition Agreement and acquired all of the shares of Saturna from the holders thereof in exchange for the issuance of 26,191,427 Shares;
- the Company issued 5,557,168 share purchase warrants to holders of share purchase warrants of Saturna in exchange for the cancellation of their Saturna share purchase warrants;
- the existing directors and officers of the Company, other than Sean Bromley, resigned and were replaced with nominees of Saturna;
- the Company completed a concurrent financing of 6,875,000 Shares at a price of $0.20 per Share for gross proceeds of $1,375,000. In connection with the concurrent financing, the Company paid finder's fees of $15,160 and issued 75,800 finder's warrants. Each finder's warrant is exercisable into one Share at a price of $0.37 per Share until July 4, 2018; and
- the Company issued 1,397,075 Shares at a deemed price of $0.20 per Share to Fortuna for services provided by Fortuna in introducing the Company to Saturna.

Additional details regarding the Acquisition can be found in the Company's filing statement as filed on SEDAR on June 2, 2016.

On November 26, 2016, the Company issued a short-term promissory note in the amount of $250,000. The loan bears no interest and is payable from the proceeds of a future financing in an amount equal to or greater than $1 million.

During the year ended December 31, 2016, the Company issued 1,334,138 Shares for proceeds of $73,378 pursuant to the exercise of warrants.

During the year ended December 31, 2016, the Company issued 375,000 Shares pursuant to an employment agreement in the amount of $75,000.

The Company received the first batch of scooters on January 5, 2017 for its Loop Zone operation field trial in the city of Vancouver, British Columbia. The importation of the Loop scooters was made possible after the Company secured Transport Canada permission.

On March 7, 2017, the Company issued a non-interest bearing promissory note in the amount of $75,000 to Anwar Sukkarie, President and CEO, the proceeds of which was used for general working capital. The promissory note is currently payable.

On May 17, 2017, the Company received a non-interest bearing bridge loan in the amount of $25,000 from a director and officer of the Company. The loan has no maturity date and no stated terms of repayment.

On May 18, 2017 the Company commenced an initial commercial deployment of 15 Loop scooters in Beirut, Lebanon, available to select control groups. On June 23, 2018, an additional 28 Loop scooters were added to the fleet. A total of 22 operating Loop scooters are commercially deployed as of the date of this AIF from a total of 43 Loop scooters that constitute the electric scooter sharing fleet. Full commercial rollout to reach a total of 165 scooters is planned for later in 2018.

On May 25, 2017, the Company entered into a zone operator agreement with E-Sharing Scooters, LLC, of Miami, Florida to run a field trial of scooters in Miami-Dade County. The agreement was based on a three month TaaS field trial phase that was to involve 20 electric scooters. This agreement was subsequently terminated due to the delay in shipping the 20 scooters to E-Sharing Scooters, LLC.

On June 13, 2017, Loop Japan K.K. and Japan's Ministry of Internal Affairs and Communications ("**MIC**") signed an Internet of Things ("**IoT**") Transportation agreement to develop 15 Loop electric vehicles which will be co-developed together with a Japanese electric vehicle manufacturer for Kamakura. This was a pilot project 100% funded by MIC and was successfully concluded in March 2018 consequent to a technical assessment resulting in full payment to Loop Japan K.K. in April 2018.

On September 14, 2017, the Company received a purchase order and a 50% down payment for a field trial for a fleet of 110 scooters over a one month period scheduled for the first quarter of 2018. With the delays in securing financing for the Company, scooter deployment was rescheduled for the fourth quarter of 2018.

In November 2017, the Company received a loan from Oceanside Strategies Inc. ("**Oceanside**") in the amount of $150,000 plus accrued interest of $1,750. The loan has a six-month term and bears interest at a rate of 10% per annum, calculated and compounded monthly based on the number of days actually elapsed in a 365-day year, and payable on the maturity date. In consideration for the loan, the Company agreed to issue to Oceanside a bonus of 3,000,000 non-transferable share purchase warrants. Each warrant entitles Oceanside to purchase one additional common share of the Company at a price of $0.05 per warrant share for a period of one year from the date the loan is advanced.

During the year ended December 31, 2017, the Company's Japan subsidiary received a loan in the amount of 31 million Japanese Yen ($345,340). The loan bears interest at 2.5% per annum and matures on April 2, 2018. A total of 18,032,369 Japanese Yen was repaid in April 2018. In May 2018, an exclusive Japan-wide distributor, LOOPShare KK, was appointed based on an agreement to pay Loop Japan K.K. a total of USD$300,000 in 6-month installments over 24 months commencing with USD$100,000 in July, 2018. The balance of the loan plus accrued interest will be paid in August 2018 out of the amounts to be paid by LOOPShare KK for its exclusive distributor rights.

Subsequent to the year ended December 31, 2017, the Company completed a private placement of 750,000 units for gross proceeds of $187,500. Each unit consisted of one Share and one warrant with each warrant entitling the holder to purchase an additional Share of the Company at a price of $0.05 for a period of one year.

Significant Acquisitions

As described above, during the year ended December 31, 2016, the Company completed the Acquisition. However, as the Acquisition constituted a "reverse takeover" of the Company, as defined in National Instrument 51-102, the Company was not required to file a Form 51-102F4 in respect of the acquisition.

DESCRIPTION OF THE BUSINESS

General

Summary

The Company's primary focus is on establishing electric scooter-sharing operations throughout the world through a network of third party operators. The Company plans to sell connected scooters to operators as part of a turnkey, "plug-and-play" business solution. The Company will provide ongoing services generating monthly recurring revenue. In addition, as a secondary focus, the Company will continue to sell its SVD touch screen, Telematics device series to scooter and motorcycle manufacturers worldwide if and when circumstances warrant.

The Company's business model is designed to be highly scalable, supported by software it has developed and has integrated with currently available third party software. "Loop" branded scooters are manufactured by a third party supplier to be shipped from the factory in China to cities around the world, already homologated to meet local transport authority requirements and localized for market specific requirements.

The Company's reportable business involves deploying connected end-to-end solutions for inner-city transportation vehicles, specifically geared toward Transportation as a Service ("**TaaS**"). The Company specializes in the connected vehicle industry with a focus on two wheel electric vehicles. Through zone operators worldwide and in certain geographies to directly operate through LOOPShare teams, the Company will implement TaaS solutions to offer commuter convenience and tourist applications to users based on the Company's commuter/tourism/business-focused, unique, state-of-the-art wireless two-wheel electric sharing technology. The Company also sells the SVD hardware, where feasible, to electric vehicle manufacturers with a focus on two wheel vehicles.

	Year ended December 31, 2017	Year Ended December 31, 2016
Revenue	$264,993	$613,266
Net Loss	($2,693,268)	($3,390,935)
Net and Comprehensive Loss	($2,680,297)	($3,400,343)

The Company received revenue of $264,993 for the year ended December 31, 2017 as compared to revenue of $613,266 for the year ended December 31, 2016. This decrease in sales was due to the Company's inability to meet the demand in Loop scooter sales and in securing components and labour required to manufacture SVD400 device series units to Mahindra due to lack of working capital.

The Company's revenue of $264,993 in 2017 was derived 14% from the Middle East and 86% from the United States, whereas in 2016 the Company's revenue of $613,266 was derived 78% from the Middle East and 22% from the United States.

The Company will provide ongoing services generating monthly recurring revenue from hosting and supporting the TaaS software to zone operators. In addition, as a secondary focus, the Company will continue to sell its SVD400 device and newer generations of the interactive, touch screen dashboard technology to scooter and motorcycle manufacturers world-wide if and when circumstances warrant. The Company's priority is to install these Telematics devices on its own scooters on the electric scooter manufacturer assembly line as part of its primary focus on establishing scooter-sharing operations throughout the world through a network of third party operators as part of a turnkey, "plug-and-play" business solution.

The Company's business model is designed to be highly scalable, supported by software it has developed and continues to develop, and has integrated with currently available third party software. "Loop" branded scooters can be shipped from the factory in China to cities around the world, already homologated to meet local transport authority requirements and localized for market specific requirements.

The Company plans to engage local zone operators worldwide based on criteria developed for size of local market, financial capacity and operating requirements. In certain geographies, the Company may opt to operate through its own teams.

For fiscal 2018, the Company plans to deploy a minimum of 323 scooters in Vancouver, British Columbia, Irvine, California, Beirut, and various locations in Japan. Further business development is expected across Europe and Asia. Backend application development will continue as well as the development and certification of the next generation SVD400 Telematics devices. To accomplish these objectives, it is expected that the Company's team will grow depending on our current and projected skill set requirements.

Principal Products and Services

As described above, the Company's primary focus is to sell connected scooters to operators as part of a turnkey, "plug-and-play" business solution. The Company will provide ongoing services generating monthly recurring revenue. In addition, as a secondary focus, the Company will continue to sell its SVD400 device to scooter and motorcycle manufacturers worldwide if and when circumstances warrant.

Saturna has developed the SVD400, a 7" ruggedized touch screen display that replaces the traditional analog dashboard of a two-wheel vehicle. The Company sells the SVD400 to OEMs for assembly line installation on such OEMs' vehicles.

In 2015, Saturna commenced development on the SVD400G by modifying the SVD400 to provide for 3G connectivity, which is intended to enable a wide range of applications, including a series of applications that would allow operation of a vehicle sharing program. Subsequent to December 31, 2015, Saturna developed a prototype SVD400G for installation on a specific model of scooter that it has selected for its vehicle sharing program. Saturna is currently in the testing phase of this program. It is intended that scooters equipped with the SVD400G will be shipped directly from the manufacturer to select cities world-wide for scooter sharing operations.

Saturna entered into an agreement with Mahindra on May 31, 2013, for the customization and development of SVD400 devices for factory installation on their electric scooters. During the year ended December 31, 2014, Saturna completed the development of the initial prototype version of the SVD400 and completed its testing of same. On January 21, 2015, Saturna received factory acceptance from Mahindra of the SVD400 and commenced shipping commercial units.

Production and Services

The Company contracts manufacturers to provide sub-assembly services of its circuit board for the SVD400 devices. The final product is assembled and tested at the Company's offices in Vancouver, British Columbia, packaged and then shipped.

The Company provides service and support to operators and OEM customers. Services are generally performed remotely from the Company's head office, with occasional site visits. Warranty for the scooters is provided by the scooter manufacturer to the Company and such warranty flows through to the scooter sharing operators.

Specialized Skill and Knowledge

The Company requires skills related to the development of Telematics hardware and software systems for Telematics and fleet management applications. These Telematics development skills require in-depth expertise in Lynx and other programming languages in addition to hands-on hardware testing that involves electric scooters. The Company has access to experienced hardware and software engineers with such skills.

Telematics hardware is installed to collect and transmit a wide range of data, including (a) vehicle use and maintenance requirements; (b) information provided by sensors, such as tire pressure, and (c) location-based information for routing, by using GPS technology. In addition, Telematics can send information back to the vehicle to control certain mechanical aspects of its operation. The Company's business also requires technical personnel with experience relating to two-wheel vehicles.

The development of the SVD400 series devices requires specific technical skills in board design, mechanical and instrumentation assembly, design and testing, and certification requirement development and execution. The Company has access to experienced hardware and software engineers with such skills.

Competitive Condition

The Company enjoys a strong competitive edge that differentiates it from other electric scooter sharing providers based on the following factors.

Operational efficiency, affordability, and higher gross margins help the Company maintain competitiveness through:

- Vertical Integration: Strategic partnership with suppliers that allows Loop scooters to be equipped with our Telematics device directly on the OEM production chain.
- "Plug & Play" Technology: Direct shipping to operations from scooter OEM allowing for Loop scooters to be immediately deployed without any intermediate steps.
- Scalability: Cloud-based solution design to allow for scalability and efficient, feasible Loop service deployment.
- Zone Operator business model: Addresses international service adoption and scalability challenges.
- The Loop scooter: Especially designed for sharing, iconic in design, and technically advanced with the sensors required for operational efficiency.

New Products

The Company does not have any new products. However, and in-line with our strategy to maintain a competitive edge, the Company plans to develop the next generation of the SVD400 Telematics dashboard. The next generation will introduce a detachable touch screen, more sensors, advanced firmware, additional functionality and features, touch payment options such as near field communication ("**NFC**") technology, and the continued design for assembly line installation all at a lower cost. The Company also plans to continue developing the LOOPShare platform backend and mobile applications with additional features and functionality. New development is planned to commence in the third quarter of 2018, subject to availability of working capital.

Components

Various electronic suppliers provide the bulk of the Company's component list. As for pricing, total cost of SVD400 devices and Loop scooter varies with volume. The cost to the Company is averaged at USD$400/SVD400 device and USD$2,000/Loop scooter.

Intangible Properties

The Company is currently securing international trademark protection for its brand names Loop and LOOPShare, in relation to its corporate and scooter sharing operations, respectively.

Saturna was issued a patent by the PTO in April 2015. Patent 9014888, based on application 61510436, and titled "Vehicle Communication and Route Analysis System", has been granted to Saturna. The patent addresses range prediction for electric vehicles based on a variety of parameters.

On June 21, 2011, Saturna applied for a blanket patent that covers over 20 claims. This application expired and Saturna intends to renew the patent application in the third quarter of 2018, subject to working capital availability. The Company intends to expand and further research each claim, as it continues its research and development efforts.

Saturna has licensed third party software in connection with its own software development work. It has licensed firmware integration software that provides an interface between its SVD400G device and scooters, and one device providing vehicle sharing fleet services.

Cycles

The Company expects the market for electric scooters sharing rides to be relatively slower during winter months in cities where there is a colder climate in the winter.

Economic Dependence

The Company's operations depend on its ability to procure parts and materials for the manufacture of the SVD400 devices and to procure scooters from its scooter OEM. Pricing for these items can fluctuate due to limited supply or due to exchange rate fluctuations, as scooters are purchased using the United States currency. If delivery of materials, parts or scooters is delayed, it could materially impact the Company's operations. Currently the Company has one supplier of scooters and one supplier of touch screens. The loss of either supplier would have a materially adverse impact on the Company's operations. Other parts and materials are expected to be more easily sourced, in the event of disruption in the Company's current supply.

The Company is reliant on the purchase of scooters in relation to its planned 2018 field trials. In the event that the supplier terminates its contract for the supply of scooters, or the contract for the supply of scooters is otherwise frustrated, the Company's field trials may be postponed. The Company has agreements with LOOPSHARE KK and FivePoint Holdings to operate Loop field trials in Tokyo and Kyoto, Japan and Irvine, California, respectively. In the event either of these companies terminates its contract, the applicable field trial would be postponed, delaying the commercial launch of Loop scooter sharing services in the applicable city, and resulting in a loss of anticipated revenue. The Mahindra binding purchase order for 3,000 SVD400 units, of which 1,553 have been delivered as of January 31, 2018 has been completed with a revision of the total number of SVD400 units to be shipped down to 1,553 units.

Loop s.a.l. will assist the Company in developing applications for the Company's software, will acquire up to 165 scooters for commercial deployment and/or field trials of LOOPShare**,** and will oversee operations for the commercial deployment in Beirut. Loop s.a.l. acts as the exclusive Loop operator in Beirut, Lebanon and carries on all Loop activities in Beirut, Lebanon, the Middle East and Africa. The political climate in Lebanon is uncertain. In the event that operations of the Lebanese company are halted due to war or sanctions, or otherwise, the Company may have difficulty completing this business.

In addition there are risks associated with foreign operations, including currency risk and regulatory risk. There is a risk that suppliers or customers may copy the hardware or software products of the Company for their own use. In the event there is a dispute, the Company may be unable to obtain legal remedy or legal proceedings may be prohibitively expensive.

Environmental Protection

Environmental laws and regulations may affect the operations of the Company. It is expected that the Company, or its local operators, will be required to dispose of scooters, electronic components and batteries at the end of their useful lives. Failure to dispose of these in a manner compliant with local environmental regulation could expose the Company to penalties and clean-up costs. In addition, the cost of complying with such regulations may increase over time and per location affecting operating results. The Company expects to rely on contract manufacturers and suppliers in the production of its electronic devices and scooters. In the event that such contract manufacturers and suppliers breach health and safety standards, such violation may temporarily, or in extreme cases, permanently halt supply. A breach of environmental and safety regulations by a supplier, contract manufacturer or scooter sharing operator may affect the reputation of the Company.

Employees

The Company employed six persons at its Vancouver office and four persons at its Japan office as at the year ended December 31, 2017. It currently employs four persons at its Vancouver office and zero persons at its Japan office. The Company expects to employ eight persons at its Vancouver office and two persons at its Japan office by the year ended December 31, 2018.

Foreign Operations

The Company expects revenue from Loop Japan K.K. in Japan in 2018 and for Loop Japan K.K. to be fully independent in terms of support from the Company.

Lending

The Company's operations do not include any lending operations. Sales terms with customers generally require payment at time of shipment.

Bankruptcy and Similar Procedures

There were no bankruptcy, receivership or similar proceedings involving the Company or Saturna, or any voluntary bankruptcy, receivership or similar proceedings by the Company or Saturna, within the three most recently completed fiscal years, or during or proposed for the current fiscal year.

Reorganizations

On June 28, 2016, the Company completed the Acquisition. For more information with respect to the Acquisition, see "Corporate Structure – Name, Address and Incorporation".

There are no material reorganizations of the Company proposed for the current fiscal year.

Social or Environmental Policies

None.

RISK FACTORS

There are various risk factors that could cause the Company's future results to differ materially from those described in this AIF. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected. The risks discussed below also include Forward-Looking Statements and our actual results may differ substantially from those discussed in the Forward-Looking Statements. See "Note Regarding Forward-Looking Statements" in this AIF.

Risks Related to our Business and Industry

Limited Operating History

The Company has experienced net losses in each year since its inception and, as of December 31, 2017, had an accumulated deficit of $9,848,341. The Company does not know if business operations will become profitable or if it will continue to incur net losses in 2018 and beyond. The Company expects to incur significant future expenses as it develops and expands its business, which will make it harder for the Company to achieve and maintain future profitability. The Company anticipates that it will incur significant losses in the future for a number of reasons, including the other risks described in this AIF, and the Company may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. Accordingly, the Company may not be able to achieve or maintain profitability.

Because many of the Company's expenses will be fixed, the Company may not be able to limit its losses if the Company fails to achieve forecasted revenue.

To commence scooter sharing trials in three cities the Company may be required to make significant investments in vehicles and operations. If the trials are unsuccessful and the Company's services do not increase as quickly as the Company has anticipated, or if there is a lack of demand for the Company's services, the Company may be unable to offset these costs, and the Company's operating results may be adversely affected as a result of high operating expenses, reduced margins, underutilization of capacity and asset impairment charges.

Scooter sharing is a relatively new market, and the rate of adoption and the Company's associated growth in the anticipated markets may not be representative of rates of adoption or future growth in other markets.

The Company is expected to derive over 80% of its revenues in 2018 and subsequent years from scooter sharing, a relatively new and rapidly evolving market. If the market for scooter sharing fails to grow or grows more slowly than the Company currently anticipates, the Company's business would be negatively affected.

To date, the Company has targeted markets the Company believes are the most likely to adopt scooter sharing. However, there is no assurance the Company will be successful in these markets or will be able to expand beyond these markets.

The Company may not be able to grow at the rate anticipated and the initial growth rate will likely not be sustainable. Failure to maintain an adequate growth rate will adversely affect the Company's business.

The Company's revenues may continue to grow over the next two years at a rate that is not sustainable in future periods. The revenue growth of any prior quarterly or annual period may not be a valid indication of the Company's future performance. If the Company is unable to maintain adequate revenue growth, the Company's ability to become profitable may be adversely affected, and the Company may not have adequate resources to execute its business strategy.

The Company faces significant risks as it expands its operations internationally, which could harm the Company's business, operating results and financial condition.

The Company's efforts to expand its operations into new international markets involve various direct and indirect risks. Direct risks are those risks borne directly by the Company. Indirect risks are the risks faced by operators in each market that could impact the Company's business and profitability indirectly. Such risks include the following:

- difficulties in contracting qualified operators with adequate capital to finance and operate scooter sharing services in each market;

- difficulties or delays in acquiring a critical mass of subscribers, vehicles and/or convenient parking locations;

- different driving expectations and patterns than those in North America;

- different legal and labor practices and customs;

- the need to adapt the Company's systems and subscriber interfaces for different languages, currencies and financial accounting practices;

- different data protection and privacy laws;

- entrenched competitors who are well funded and established;

- different methods for checking the driving records of new users; and

- difficulties in staffing and managing new operations.

As a result of these obstacles, the Company may find it impossible or prohibitively expensive to expand internationally or the Company may be unsuccessful in its attempt to do so, which could harm the Company's business, operating results and financial condition.

Growth may place significant demands on the Company's management and the Company's resources.

The Company expects to experience substantial growth in its business. This growth has placed and may continue to place significant demands on the Company's management and Company's operational and financial resources. The Company may not be able to provide the scale of operation necessary to meet the potential growth. Many of the Company's expected systems and operational practices were implemented when the Company was at a smaller scale of operations. In addition, as the Company grows, the Company will need to implement new systems and software to help run the Company's operations. As the Company's operations grow in size, scope and complexity, the Company will need to continue to improve and upgrade the Company's systems and infrastructure to offer an increasing number of users enhanced service, solutions and features. The Company may choose to commit significant financial, operational and technical resources in advance of an expected increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain the Company's ability to maintain reliable service levels for existing and new users, which could adversely affect the Company's reputation and the Company's business. For example, if the Company experiences demand for the Company's vehicles in excess of its estimates, the Company's fleet may be insufficient to support the higher demand, which could harm the Company's user experience and overall reputation.

Future acquisitions could disrupt the Company's business and harm the Company's financial condition and operating results.

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to changing technologies, subscriber needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary businesses, solutions or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquire. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience.

Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may:

- issue additional equity securities that would dilute the holders of Shares;
- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- encounter difficulties retaining key employees of the acquired companies or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

Manufacturer safety recalls could create risks to the Company's business.

Scooters sold by the Company to its operators may be subject to safety recalls by their manufacturers. Under certain circumstances, the recalls may cause an interruption of the service. The Company and its operators may decline to allow scooters to be reserved or used until the Company can arrange for the steps described in the recalls to be taken. If a large number of vehicles are the subject of simultaneous recalls, or if needed replacement parts are not in adequate supply, recalled vehicles may not be used in operations for a significant period of time. Depending on the severity of the recall, it could materially adversely affect the Company's revenues, create bad will with some of the users and harm the Company's general reputation and brand.

The Company faces risks related to liabilities resulting from the use of the Company's vehicles by the anticipated LOOP users.

The Company's business may expose it to claims for personal injury, death and property damage resulting from the use of scooters by the anticipated Loop users. For example, a user may be using a scooter that has worn tires or some mechanical or other problem, including a manufacturing defect, that contributes to an accident that results in a death or significant property damage for which the Company may be liable. In addition, it is expected that the Company will depend on the anticipated Loop users, operators and third-party service providers to inspect the vehicles prior to driving in order to identify any potential damage or safety concern with the vehicle.

The Company could be negatively impacted if losses for which the Company does not have third-party insurance coverage increase or the Company's insurance coverages prove to be inadequate.

The Company will not have third-party insurance coverage for damage to scooters, and with the exception of Vancouver, British Columbia trials, the Company does not expect to have third-party insurance coverage for bodily injury and property damage resulting from user accidents involving Loop scooters. The Company anticipates that individual operators in each city outside of Vancouver, British Columbia trials will obtain liability insurance in respect of each scooter in service in such city. The Company expects to account for vehicle damage or total loss at the time such damage or loss is incurred. Also, because the Company will be responsible for damage to vehicles, deterioration in claims management, whether by management or by a third-party claims administrator, could lead to delays in settling claims, thereby increasing claim costs. In addition, catastrophic uninsured claims filed against the Company or the inability of insurance carriers to pay otherwise-insured claims would have an adverse effect on financial condition.

The impact of worldwide economic conditions, including the resulting effect on consumer spending, may adversely affect the Company's business, operating results and financial condition.

The Company's anticipated performance will be subject to worldwide economic conditions, and in particular their impact on levels of consumer spending. Consumer purchases of discretionary items generally decline during recessionary periods and other periods in which disposable income is adversely affected. Because a significant portion of spending for the Company's services may be considered to be discretionary, declines in consumer spending may have a more negative effect on the Company's business than on those businesses that sell products or services considered to be necessities.

The Company expects a number of factors may cause the Company's operating results to fluctuate on a quarterly basis, which may make it difficult to predict the Company's future performance.

The Company's revenues and operating results could vary significantly from quarter to quarter because of a variety of factors, many of which are outside of the Company's control. As a result, comparing the Company's operating results on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of the Company's quarterly results include:

- the impact of worldwide economic conditions and their impact on levels of consumer spending;
- the high fixed costs inherent in the Company's business, which limit the Company's ability to adjust for period-to-period changes in demand;
- the effects of natural disruptions in the Company's major metropolitan areas, including snow and long periods of rain or other inclement weather patterns in any of the Company's markets;
- system interruptions that impair access to the Company's website, key vendors or communication with the Company's vehicles and any related impact on the Company's reputation;
- the Company's ability to forecast revenues accurately and appropriately plan the Company's expenses; and
- the impact of fluctuations in currency exchange rates.

In addition, the Company's operating results may not meet the expectations of investors or public market analysts who follow the Company.

Managing the Company's growth will require significant expenditures and allocation of valuable management resources. If the Company fails to achieve the necessary level of efficiency in the Company's organization as it grows, the Company's business, operating results and financial condition would be harmed.

Seasonality may cause fluctuations in the Company's financial results.

The Company expects to experience some effects of seasonality and the Company's revenue is expected to fluctuate due to inclement weather conditions, such as snow or heavy rain. There may be an increase in travel during university months, or where tourism is a factor, during popular tourist seasons. In the future, this seasonality may cause fluctuations in financial results. In addition, other seasonality trends may develop and anticipated user behaviour may change.

The market for scooter sharing services is becoming increasingly competitive, and if the Company fails to compete effectively the Company's business will suffer.

The Company expects that the competitive environment for the Company's scooter sharing service will become more intense as additional companies enter the Company's anticipated markets. In addition, competitors may increase the number of vehicles in their fleets or enhance the vehicle offerings in their existing fleets to be more competitive, and additional competitors may enter the Company's anticipated markets. Some of the Company's competitors may respond more quickly to new or emerging technologies and changes in driver preferences or requirements that may render the Company's services less desirable or obsolete. These competitors could introduce new solutions with competitive price and convenience characteristics or undertake more aggressive marketing campaigns than the Company anticipates undertaking. The Company believes that price is one of the primary competitive factors in the Company's market and pricing in the Company's markets is very transparent. The Company's competitors, some of whom may have access to substantial capital, may seek to compete aggressively on the basis of pricing. To the extent that the Company decreases the Company's anticipated pricing as a result of downward pricing by the Company's competitors and are not able to reduce the Company's operating costs, it could have a material adverse impact on the Company's results of operations, as the Company may lose users and experience a decrease in subscriber reservations.

The Company's growth depends on the ability of operators to obtain and maintain a sufficient number of parking locations that are convenient to the anticipated Loop users.

Because the anticipated Loop subscribers are located primarily in cities, the Company will have to compete for limited parking locations in the cities in which the Loop services are offered. Many of these cities are densely populated and parking locations may not be available at locations that are convenient to the anticipated Loop users or on terms that are commercially reasonable. Operators are expected to work with local authorities to obtain parking locations and may encounter resistance from local businesses and residents because, once obtained by the Company, these parking locations would no longer be generally available to the residents or the customers of the local businesses. If operators are unable to obtain and maintain a sufficient number of parking locations that are convenient to the anticipated Loop users, the Company's ability to attract and retain users would suffer.

The Company's success depends on the anticipated Loop users' continued low cost, high-speed access to the Internet and the continued reliability of the Internet infrastructure.

Because the Loop scooter services are designed primarily to work over the Internet, the Company's revenue will depend on low cost, high-speed access to the Internet, as well as the continued maintenance and development of the Internet infrastructure, including the wireless Internet infrastructure. The future delivery of the Company's services will depend on third-party Internet service providers to expand high-speed Internet access, to maintain a reliable network with the necessary speed, data capacity and security, and to develop complementary products and services for providing reliable and timely Internet access and services. The success of the Company's business will depend directly on the continued accessibility, maintenance and improvement of the Internet as a convenient means of customer interaction. All of these factors are out of the Company's control.

System interruptions that impair access to the Company's website or disrupt communications with the Company's vehicles or operator would damage the Company's reputation and brand and user experience, which could substantially harm the Company's business and operating results.

The satisfactory performance, reliability and availability of the Company's reservation system software, website and network infrastructure are critical to the Company's reputation, the Company's ability to attract and retain potential users and the Company's ability to maintain adequate service levels. Any systems interruption that results in the unavailability of the Company's website or a disruption in the Company's vehicle communications platform could result in negative publicity, damage the Company's reputation and brand and cause the Company's business and operating results to suffer. The Company may experience temporary system interruptions (either to the Company's website or to the hardware systems in the Company's scooters) for a variety of reasons, including network failures, power failures, cyberattacks, software errors or an overwhelming number of users or visitors trying to reach the Company's website during periods of strong demand. Because the Company expects to be dependent, in part, on third parties for the implementation and maintenance of certain aspects of the Company's systems and because some of the causes of system interruptions may be outside of the Company's control, the Company may not be able to remedy such interruptions in a timely manner, or at all. Problems faced by the Company's third party web hosting provider, with the telecommunications network providers with which it expects to contract or with the systems by which it expects to allocate capacity among its customers, including the Company, could adversely impact the experience of the anticipated Loop users.

Much of the Company's software is proprietary, and it relies on the expertise of the Company's engineering and software development teams for the continued performance and support of the Company's software and computer systems. Service interruptions, errors in the Company's software or the unavailability of the Company's website could diminish the overall attractiveness of the services to potential users.

The Company's servers will be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions and delays in service and operations as well as loss, misuse or theft of data. Any attempts by hackers to disrupt the Company's website service or internal systems, if successful, could harm the Company's business, be expensive to remedy and damage the Company's reputation or brand. The Company's insurance does not cover expenses related to direct attacks on the Company's website or internal systems. Efforts to prevent hackers from entering the Company's computer systems are expensive to implement and may limit the functionality of the Company's services. Any significant disruption to the Company's website or internal computer systems could result in a loss of users and adversely affect the Company's business and results of operations.

If the Company's efforts to build strong brand identity and maintain a high level of users satisfaction and loyalty are not successful, the Company may not be able to attract or retain users, and the Company's operating results may be adversely affected.

The Company will endeavour to build and maintain strong brand identity. User awareness of, and the perceived value of, the Loop brand will depend largely on the success of marketing efforts and ability to provide a consistent, high-quality uses experience. Failure to provide the anticipated Loop subscribers with high quality reservation and drive experiences for any reason could substantially harm the Company's reputation and adversely affect its efforts to develop as a trusted brand. To promote the Loop and LOOPShare brand, the Company expects to incur substantial expenses related to advertising and other marketing efforts, but the Company cannot be sure that this investment will be profitable.

From time to time, the Company's users may express dissatisfaction with service levels, including the Loop scooter inventory, available reservation times and response time with respect to questions or incidents with the Loop scooters. Users who return vehicles late, without sufficient charge or in an unclean condition adversely affect other users' experiences, which can also cause dissatisfaction with Loop service. To the extent dissatisfaction with Loop service is widespread or not adequately addressed, the Company's reputation could be harmed, and efforts to develop Loop and LOOPShare as a trusted brand would be adversely impacted. If the Company's efforts to promote and maintain its brand are not successful, the Company's operating results and ability to attract and retain subscribers may be adversely affected.

The Company expects to rely on third party operators and on third-party support service providers to deliver the LOOP services to the anticipated Loop users. If these service providers experience operational difficulties or disruptions, business could be adversely affected.

The Company intends to engage third party owner/operators to operate, finance and market scooter sharing operations world-wide. Such operators may also depend on third-party service providers to deliver Loop services to users. In addition, the Company may rely on a limited number of data center facilities, which are expected to be located in Canada and may engage third-party support service providers to handle the Company's routine user support calls. The Company will not control the operation of these providers. If the owner/operators or third-party service providers terminate their relationship with the Company, or do not provide an adequate level of service to the Company's users, it would be disruptive to business and replacement of these owner/operators or services providers may cause interruption of the services, perhaps for a significant period of time, damaging the Company's reputation, the reputation of the Loop brand, and could potentially result in a reduction in market share and adversely affect financial results of the Company.

If the security of users' confidential information stored in the Company's systems is breached or otherwise subjected to unauthorized access, the Company's reputation or brand may be harmed, and the Company may be exposed to liability and a loss of users.

It is expected that the Company's system will store, process and transmit users' confidential information including driver license numbers and other sensitive data. Presently the Company plans to outsource the storing, processing and transmission of credit card information to a third party service provider. It is expected that the Company will rely on encryption, authentication and other technologies licensed from third parties, as well as administrative and physical safeguards, to secure such confidential information. Any compromise of the Company's security or the security of the service provider could damage the Company's reputation and brand and expose the Company to a risk of loss, costly litigation and liability that would substantially harm the Company's business and operating results. The Company's third-party data center facilities may not adequately assess the internal and external risks posed to the security of the Company's systems and information and may not implement adequate preventative safeguards or take adequate reactionary measures in the event of a security incident. In addition, many jurisdictions have enacted laws requiring companies to notify individuals and often state authorities of data security breaches involving their personal data. These mandatory disclosures regarding a security breach often lead to widespread negative publicity, which may cause the anticipated Loop users to lose confidence in the effectiveness of the Company's data security measures. Any security breach, whether successful or not, would harm the Company's reputation and brand, and it could cause the loss of users.

Failure to comply with data protection standards may cause the Company to lose the ability to offer users a credit card payment option which would increase the Company's costs of processing scooter reservations and make the Company's services less attractive to users.

Major payment card issuers have adopted data protection standards and it is expected that such standards will be incorporated into contracts with the Company. If the Company or its service provider fails to maintain compliance with the data protection and documentation standards adopted by major payment card issuers and applicable to the Company, these issuers could raise the rates they charge the Company for payment card transactions, impose fines and penalties on the Company, or terminate their agreements with the Company, and the Company could even lose the Company's ability to offer users a credit card payment option. It is expected that substantially all users will reserve scooters online with a credit card, and the Company's business is expected to depend substantially upon its ability to offer a credit card payment option. Fines, penalties, and increases in the rates charged for payment card transactions could adversely affect the Company's financial results. Any loss of the Company's ability to offer users a credit card payment option would make the Company's services less attractive to them and hurt the Company's business and cause a loss of revenue. The Company's anticipated administrative costs related to subscriber payment processing would also increase significantly if the Company were not able to accept credit card payments for scooter reservations.

The Company's web-based model may render the Company more susceptible to fraudulent transactions than in-person scooter rental companies, which may negatively affect the Company's revenues and profitability.

Because it is expected that credit card purchases will be competed online, it is not expected that signatures will be obtained from users in connection with the use of credit cards by them. Under current credit card practices, to the extent cardholders' signatures are not obtained, the Company may be liable for fraudulent credit card transactions, even when the associated financial institution approves payment of the orders. Fraudulent credit cards may be used on the Company's website through its service provider to users for the Company's services and to make subsequent reservations. Typically, these credit cards would not have been registered as stolen and would not therefore be rejected by anticipated automatic authorization safeguards. The Company does not currently carry insurance against the risk of fraudulent credit card transactions. A failure to adequately control fraudulent credit card transactions would harm the Company's business and results of operations.

Failure to comply with various state, county and city laws, including the collection of sales or related taxes, could harm the Company's results of operations.

The Company's business is subject to various local and state tax collection requirements with respect to its provision of services and Loop scooters. Amounts that the Company is expected to be required to collect change frequently. As a result, the Company will need to continually ensure proper taxes are collected and remitted to the appropriate tax agencies. If the Company does not collect the appropriate taxes from its owner/operators, the Company may need to pay more than what it has collected. In addition the Company may be audited by various states and agencies to ensure compliance with tax collection requirements. Such audits could result in additional sales or other tax collection obligations on the Company which the Company may not be able to recover from its owner/operators. Such obligations could have a material adverse impact on the Company's future operating results.

Federal, state, provincial, city and other similar taxing authorities may require the owner/operators or the anticipated Loop users to pay a rental tax each time a scooter is reserved. Imposing such tax would have a material adverse effect on the Company's business.

Failure to adequately protect the Company's intellectual property could substantially harm the Company's business and operating results.

Because the Company's business depends substantially on the Company's intellectual property, including the Company's proprietary vehicle platform system, the protection of the Company's intellectual property rights is expected to be crucial to the success of the Company's business. The Company may rely on a combination of patent, trademark, trade secret and copyright law and contractual restrictions to protect the Company's intellectual property. These afford only limited protection. Despite the Company's expected efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's website features, software and functionality or obtain and use information that the Company considers proprietary, such as the technology used to operate the Company's website, the Company's content and the Company's trademarks. Moreover, policing the Company's proprietary rights is difficult and may not always be effective. In particular, the Company may need to enforce the Company's rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the United States.

The Company is in the process of securing international trademark protection for its brand names "Loop" and "LOOPShare" in relation to its corporate and scooter sharing operations in both classes 12 (vehicles; apparatus for locomotion by land, air or water) and 39 (transport and travel arrangement), in the United States, Canada, Lebanon and the European community. Competitors may adopt service names similar to ours, thereby impeding the Company's ability to build brand identity and possibly leading to confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the term LOOP or LOOPShare or any other trademarks of the Company, in future. From time to time, the Company may acquire or attempt to acquire Internet domain names held by others when such names cause consumer confusion or have the potential to cause consumer confusion.

Litigation or proceedings before the PTO or other governmental authorities and administrative bodies in the United States, Canada and abroad may be necessary in the future to enforce the Company's intellectual property rights, to protect the Company's patent rights, trade secrets, trademarks and domain names and to determine the validity and scope of the proprietary rights of others. The Company's efforts to enforce or protect the Company's proprietary rights may be ineffective and could result in substantial costs and diversion of resources and could substantially harm the Company's operating results.

The Company's exposure to risks associated with the use of intellectual property may increase as a result of acquisitions, as the Company has a lower level of visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after the Company has acquired technology that had not been asserted prior to the Acquisition.

If the Company is unable to protect the Company's domain names, the Company's reputation and brand could be adversely affected.

The Company currently holds various domain names relating to the Company's brand, including loopscooters.com, loopscooters.info, loopscooters.net, loopscooter.org, loopsal.com, loop-mobility.info and saturnagreen.com. Failure to protect the Company's domain names could adversely affect the Company's reputation and brand and make it more difficult for subscribers and potential subscribers to find the Company's website and the Company's scooter sharing service.

The acquisition and maintenance of domain names generally are regulated by governmental agencies and their designees. The regulation of domain names in the United States may change in the near future. Governing bodies may establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, the Company may be unable to acquire or maintain relevant domain names. Furthermore, the relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. The Company may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of the Company's trademarks and other proprietary rights.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

The Company expects to principally rely on trade secrets to protect the Company's proprietary technologies. The Company has devoted substantial resources to the development of its proprietary technology and related processes. In order to protect the Company's proprietary technology and processes, the Company intends to rely in significant part on confidentiality agreements with the Company's employees, licensees, independent contractors and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases the Company would not be able to assert any trade secret rights against such parties. Costly and time consuming litigation could be necessary to enforce and determine the scope of the Company's proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect the Company's competitive business position.

The Company's failure to raise additional capital necessary to expand the Company's operations and invest in the Company's business could reduce the Company's ability to compete successfully.

The Company will require additional capital in the future and the Company may not be able to obtain additional debt or equity financing on favorable terms, if at all. If the Company raises additional equity financing, the shareholders of the Company may experience significant dilution of their ownership interests, and the per share value of the Shares could decline. Moreover, any new equity securities the Company issues could have rights, preferences and privileges senior to those of holders of the Shares. If the Company engages in debt financing, the Company may be required to accept terms that restrict its ability to incur additional indebtedness and force it to maintain specified liquidity or other ratios. If the Company needs additional capital and cannot raise or otherwise obtain it on acceptable terms, it may not be able to, among other things:

- develop or introduce service enhancements to the anticipated Loop subscribers;
- continue to expand the Company's development, sales and marketing and general and administrative organizations;
- acquire complementary technologies or businesses;
- expand the Company's operations;
- hire, train and retain employees; or
- respond to competitive pressures or unanticipated working capital requirements.

The Company will depend on key and highly skilled personnel to operate its business, and if the Company is unable to retain the Company's current personnel or hire additional personnel, the Company's ability to develop and successfully market its business could be harmed.

The Company believes its future success will depend in large part upon the Company's ability to attract and retain highly skilled managerial, technical, finance and sales and marketing personnel. The Company plans to expand its work force domestically and as the Company grows its scooter sharing business internationally it plans to expand its work force both domestically and internationally. The Company expects to compete in the market for personnel against numerous companies, including larger, more established competitors which have significantly greater financial resources than the Company and which may be in a better financial position to offer higher compensation packages to attract and retain human capital. The Company cannot be certain that it will be successful in attracting and retaining the skilled personnel necessary to operate its business effectively in the future.

Moreover, the Company believes that its future success is highly dependent on the contributions of the Company's executive team. All of the Company's employees are at will employees, which means they may terminate their employment relationship with the Company at any time. The Company's key employees possess a specialized knowledge of the Company's business and industry and would be extremely difficult to replace. In addition, the loss of any key employee or the inability to attract or retain qualified personnel could harm the market's perception of the Company and its brand. Qualified individuals are in high demand, and the Company may incur significant costs to attract them. The Company may be unable to attract and retain suitably qualified individuals who are capable of meeting its growing operational and managerial requirements, or may be required to pay increased compensation in order to do so. If the Company is unable to attract and retain the qualified personnel it will need to succeed, its business will suffer.

The Company may become engaged in legal proceedings that could cause it to incur unforeseen expenses and could occupy a significant amount of the Company's management's time and attention.

The Company may be subject to litigation or claims that could negatively affect the Company's business operations and financial position. The Company may be subject to consumer class action lawsuits.

Litigation disputes could cause the Company to incur unforeseen expenses, could occupy a significant amount of management's time and attention and could negatively affect the Company's business operations and financial position.

The Company's business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by manmade problems such as computer viruses and terrorism.

The Company's systems and operations are vulnerable to damage or interruption from earthquakes, volcanoes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins and similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on the Company's business, operating results and financial condition, and the Company's insurance coverage may be insufficient to compensate the Company for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas which have higher population density than rural areas, could cause disruptions in the Company's business or the economy as a whole. The Company's servers may also be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with the Company's computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential user data. The Company may not have sufficient protection or recovery plans in certain circumstances and the Company's business interruption insurance (as and if carried by the Company) may be insufficient to compensate the Company for losses that may occur. As the Company expects to rely heavily on its servers, computer and communications systems and the Internet to conduct the Company's business and provide a high-quality user experience, such disruptions could negatively impact the Company's ability to run the Company's business, which could have an adverse effect on the Company's operating results.

RISKS RELATED TO OWNERSHIP OF THE SHARES

Unpredictable and Volatile Market Price

The market price of the Shares could be subject to significant fluctuations, and it may decline. Market prices for securities of early stage companies have historically been particularly volatile. As a result of this volatility, holders may not be able to sell Shares at or above a desired price, or at the time they would like to sell.

Some of the factors that may cause the market price of the Shares to fluctuate include:

- fluctuations in the Company's quarterly financial results or the quarterly financial results of companies perceived to be similar to the Company;
- fluctuations in the Company's revenue due to decreases in users or usage of scooters;
- changes in estimates of the Company's financial results or recommendations by securities analysts;
- failure of the Company's scooter sharing service to achieve or maintain market acceptance;
- changes in market valuations of similar companies;
- success of competitive service offerings or technologies;
- changes in the Company's capital structure, such as future issuances of securities or the incurrence of debt;
- announcements by the Company or the Company's competitors of significant services, contracts, acquisitions or strategic alliances;
- regulatory developments in applicable jurisdictions;
- litigation involving the Company;
- additions or departures of key personnel;
- investors' general perception of the Company; and
- changes in general economic, industry and market conditions.

In addition, if the market for technology and source sector equities or the stock market in general experiences a loss of investor confidence, the trading price of the Shares could decline for reasons unrelated to the Company's business, financial condition or results of operations. If any of the foregoing occurs, it could cause the Common Share price to fall.

Public Company Reporting Obligations

As a public entity, the Company is subject to the reporting requirements and related rules and regulations of the Canadian provincial securities regulators, as well as the rules of TSXV (and any other stock exchange or quotation system on which the Company's securities may be listed from time to time). These requirements may place a strain on the Company's systems and resources. The applicable securities legislation requires that the Company file annual, quarterly and event-driven reports with respect to its business and financial condition and operations. The Company can provide no assurance that the procedures and processes adopted by it will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, sustaining growth will also require that the Company commit additional management, operational and financial resources to identify new professionals to join the Company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on the Company's business and financial condition. The Company expects to incur significant additional annual expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the applicable Canadian securities regulatory authorities and other regulators, transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

DIVIDENDS AND DISTRIBUTIONS

The Company does not currently intend to declare any dividends payable to the holders of the Shares. The Company has no restrictions on paying dividends, but if the Company generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The Board will determine if and when dividends should be declared and paid in the future based upon the Company's financial position at the relevant time.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of Shares without par value, an unlimited number of class B common shares (each, a "**Class B Share**") without par value, an unlimited number of class C common shares (each, a "**Class C Share**") without par value and an unlimited number of preferred shares (each, a "**Preferred Share**") without par value. As at June 14, 2018, 42,541,256 Shares were issued and outstanding and no Class B Shares, no Class C Shares and no Preferred Shares were issued and outstanding

Shares

Holders of Shares are entitled to one vote for each Share held at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the Board, and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Shares to contribute additional capital, and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of Shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent.

Class B Shares

Holders of the Class B Shares are not entitled to receive notices of meetings of the shareholders of the Company or to attend or vote at any such meetings except as required by the BCBCA. Holders of the Class B Shares are entitled to receive dividends and the Company will pay thereon if and when declared by the Board in its sole discretion including, without limitation, to the exclusion of any or all of the Class C Shares or Preferred Shares out of the monies of the Company properly applicable to the payment of dividends in any fiscal year of the Company.

Class C Shares

Holders of the Class C Shares are not entitled to receive notices of meetings of the shareholders of the Company or to attend or vote at any such meetings except as required by the BCBCA. Holders of the Class C Shares are entitled to receive dividends and the Company shall pay thereon if and when declared by the Board in its sole discretion including, without limitation, to the exclusion of any or all of the Class B Shares or Preferred Shares out of the monies of the Company properly applicable to the payment of dividends in any fiscal year of the Company.

Preferred Shares

Holders of the Preferred Shares are not entitled to receive notices of meetings of the shareholders of the Company or to attend or vote at any such meetings except as required by the BCBCA. Holders of the Preferred Shares are entitled to receive dividends and the Company shall pay thereon if and when declared by the Board in its sole discretion including, without limitation, to the exclusion of any or all of the Class B Shares or Class C Shares out of the monies of the Company properly applicable to the payment of dividends in any fiscal year of the Company. The Company may redeem some or all of the Preferred Shares at such time, in such manner, and in such proportion as the Board may determine. Each holder of Preferred Shares may, at any time, upon giving notice to the Company, require the Company to redeem, at any time thereafter, the whole or any part thereof, from time to time, of the Preferred Shares held by him or her. In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, each Preferred Share entitles the holder thereof, in priority to the repayment of the capital paid up on each Share, Class B Share and Class C Share, to the repayment of the capital paid up on each such Preferred Share and any dividends declared thereon and unpaid and no more.

The Company has also adopted the Stock Option Plan, under which it is authorized to grant to directors, officers, employees and consultants of the Company and its affiliates, non-transferable Options to purchase Shares. Unless the Board determines otherwise and subject to any accelerated termination in accordance with the Stock Option Plan, each Option shall expire by the tenth anniversary of the date on which it was granted. The number of Shares reserved for issuance under the Stock Option Plan may not exceed 10% of the total issued and outstanding Shares at the date of the applicable grant of Options. Options vest and become exercisable by a holder at such time or times as may be determined by the Board. The Board may, in its discretion, accelerate the date upon which any Option vests and becomes exercisable. No unvested Options may be exercised. As of the date of this AIF, there are 2,584,000 Options outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares are listed on the TSXV under the symbol "LOOP". The following table sets out the high and low prices and aggregate volume of Shares traded through the TSXV on a monthly basis during the Company's most recently completed financial year ended December 31, 2017, as reported by the TSXV for the periods indicated:

Month	High	Low	Volume Traded
December 2017	$0.04	$0.025	1,832,792
November 2017	$0.06	$0.03	3,943,934
October 2017	$0.06	$0.04	453,000
September 2017	$0.06	$0.04	369,500
August 2017	$0.085	$0.06	86,470
July 2017	$0.10	$0.085	114,108
June 2017	$0.135	$0.09	1,571,060
May 2017	$0.18	$0.09	713,960
April 2017	$0.18	$0.155	177,500
March 2017	$0.165	$0.13	229,446
February 2017	$0.165	$0.13	301,074

Month	High	Low	Volume Traded
January 2017	$0.185	$0.10	576,520

Prior Sales

The Company did not issue any Shares during the year ended December 31, 2017.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table details the number of Shares that were, to the Company's knowledge, held in escrow or subject to contractual restrictions on transfer, as at June 14, 2018:

Designation of Class	Number of Securities held in Escrow or Subject to Contractual Restrictions on Transfer	Percentage of Class
Shares	9,994,526[(1)]	23.49%[(2)]

(1) Of these: (i) 9,610,112 Shares were subject to the terms of a TSXV Tier 2 Surplus Escrow Agreement (5% of the Shares initially deposited into escrow were released on July 7, 2016 (the "**Bulletin Date**"), being the date of the final TSXV bulletin with respect to the Acquisition, 5% were released six months thereafter, 10% were released twelve months and eighteen months thereafter, and the remainder will be released as follows: 15% on July 7, 2018; 15% on January 7, 2019; and 40% on July 7, 2019); (ii) 384,414 Shares are subject to the terms of a TSXV Tier 2 Value Escrow Agreement (10% of the Shares initially deposited into escrow were released on the date of the final bulletin issued by TSXV in connection with the Acquisition and 15% were released six months, twelve months and eighteen months thereafter, and the remainder will be released as follows: 15% on July 7, 2018; 15% on January 7, 2019; and 15% on July 7, 2019). The depositary for each of the TSXV escrow agreements is the Company's transfer agent, TSX Trust Company. The release schedules under the TSXV escrow agreements may be shortened in the event that the Company applies to change the listing of the Shares from Tier 2 to Tier 1 of the TSXV.

(2) Calculated based on 42,541,255 Shares issued and outstanding as at June 14, 2018.

PERFORMANCE SHARES

Pursuant to an employment agreement with Anwar Sukkarie, an officer and director of the Company Mr. Sukkarie shall be entitled to up to 3,499,999 common shares (the "Performance Shares") subject to meeting the following performance criteria.

Aggregate number of cities to which 55 or more scooters of the Resulting Issuer are shipped	Number of Performance Shares to be issued
Three (3)	1,499,999
Six (6)	2,000,000
Total	**3,499,999**

The performance shares have no set expiry date, but will terminate if the employment contract is terminated.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out certain information regarding the directors and executive officers of the Company as at the date of this AIF. Each of the directors is elected to hold office until the next annual meeting of the shareholders of the Company or until a successor is duly elected or appointed. The last annual meeting of the shareholders was held on June 20, 2017.

Name Province/State Country of Residence and Position(s) with the Company(1)	**Principal Occupation Business or Employment for Last Five Years(1)**	**Periods during which Director has Served**	**Number and Percentage of Shares Owned(2)**
Anwar Sukkarie(4) *British Columbia, Canada* CEO and Director	Mr. Sukkarie is a founder of Saturna and has been the President and CEO of Saturna since June 23, 2010. Mr. Sukkarie has been the President, CEO and a director of the Company since June 28, 2016.	June 28, 2016 to present	9,916,407(5) 23.3%
Sean Bromley(6) *British Columbia, Canada* CFO and Director	CFO with Justus Parmar Group, an independent capital markets consultancy firm since 2016. Formerly an investment advisor at Jordan Capital Markets Inc. (now Mackie Research Capital Corporation). Mr. Bromley is a Director of White Gold Corp. (TSXV: WGO) (formerly G4G Capital Corp.) and Inform Resources Corp. (TSXV: IRR). Mr. Bromley is a senior officer of Winston Resources Inc. (C:WRW).	December 18, 2015 to present	Nil Nil%
Saood Aljnaibi(3)(4) *Dubai, UAE* Director	Mr. Aljnaibi has been the CEO of Keystone Architecture and Engineering Consultants since inception in 2016. From May 2011 to July 2015, Mr. Aljnaibi was the Deputy General of National Electronics Security Authority. Prior to joining National Electronics Security Authority, Mr. Aljnaibi worked in various executive positions at the Abu Dhabi Urban Planning Council and Emirates Telecommunication Corp. ("**ETISALAT**"). Mr. Aljnaibi was the CEO of Canar Telecommunication Co., one of ETISALAT's overseas greenfield operations for two years.	June 28, 2016 to present	1,463,944(7) 3.4%
Paul Chucrallah(3)(4) *Hazmieh, Lebanon* Director	Mr. Chucrallah has been the Chairman-General Manager of Berytech Fund Management s.a.l. from January 2015 to present.	June 28, 2016	8,424,943(8) Nil%
		Directors and Officers as a Group	19,805,294(9) 46.6%

* Less than 1%

(1) The Company has derived the information with respect to securities ownership from the SEDI profiles of the respective directors and officer as at the date of this AIF.

(2) Calculated on a partially diluted basis based on 42,541,255 Shares issued and outstanding as of June 14, 2018, on an undiluted basis. Convertible securities held by a director or officer are counted as outstanding for computing the percentage ownership of the director or officer holding such convertible securities, but are not counted as outstanding for computing the percentage ownership of any other director or officer.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Comprised of 9,316,407 Shares and 600,000 Shares that may be issued on the exercise of outstanding Options.

(6) Mr. Bromley was the chief financial officer of the Company from December 18, 2015 to June 28, 2016 and then again from May 16, 2017 to present.

(7) Comprised of 1,313,944 Shares and 150,000 Shares that may be issued on the exercise of outstanding Options.

(8) Comprised of 8,424,943 Shares that may be issued on the exercise of outstanding warrants.

(9) Comprised of an aggregate of 10,630,351 Shares, 750,000 Shares that may be issued on the exercise of outstanding Options and 8,424,943 Shares that may be issued on the exercise of outstanding warrants.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

To the best of management's knowledge, no director or executive officer of the Company is, or within the ten years before the date of this AIF has been, a director, CEO or CFO of any company that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity of director, CEO or CFO; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, CEO or CFO, and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO

Bankruptcies

To the best of management's knowledge, no director or executive officer of the Company has: (i) within ten years before the date of this AIF, been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) within ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director or executive officer.

Penalties and Sanctions

To the best of management's knowledge, no director or executive officer of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with any securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a director or executive officer.

Conflicts of Interest

The Company may from time to time become involved in transactions which conflict with the interests of the directors and the officers of the Company or the interest of these persons could conflict with those of the Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company.

PROMOTERS

Anwar Sukkarie, the CEO, President and a director of the Company, is or has been a promoter of the Company and Saturna, respectively, within the two years immediately preceding the date of this AIF. Mr. Sukkarie took the initiative in substantially reorganizing the business of the Company by identifying Saturna as an acquisition target for the Company and facilitating the completion of the RTO. Details with respect to the securities held by Mr. Sukkarie and his background are disclosed above under the heading "Directors and Officers – Name, Occupation and Security Holding" and "Directors and Officers – Name, Occupation and Security Holding – Cease Trade Orders, Bankruptcies, Penalties or Sanctions – Corporate Cease Trade Orders".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings or regulatory actions that the Company or Saturna is or was a party to, or that any of its property is or was the subject of, during the year ended December 31, 2017, and no such proceedings are known by the Company to be contemplated. From time to time, however, the Company may be subject to various claims and legal actions arising in the course of its business.

The Company is not aware of any settlement agreements, penalties or sanctions the Company has entered into before a court relating to securities legislation or with a securities regulatory authority or that would be material to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as listed below and disclosed elsewhere in this AIF, no: (a) director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, Shares, more than 10% of the outstanding Shares; or (c) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than an interest arising solely from the ownership of Shares where such person received no extra or special benefit or advantage not shared on a pro rata basis by all shareholders.

Outstanding loans from Anwar Sukkarie, the CEO, President and a director of the Company, to the Company for a total of $302,000 (non-interest bearing).

TRANSFER AGENT AND REGISTRAR

TSX Trust Company, of Suite 2700 - 650 West Georgia Street, Vancouver, British Columbia V6B 4N9 office acts as the Company's transfer agent and registrar.

MATERIAL CONTRACTS

Other than those listed below, elsewhere in this AIF, and those entered into in the ordinary course of the Company's business, there are no material contracts of the Company which were entered into in the most recently completed financial year or which were entered into before the most recently completed financial year but are still in effect as of the date of this AIF:

- Acquisition Agreement dated June 28, 2016 between the Company and Saturna and the securityholders of Saturna with respect to the Acquisition, as further described under the heading "Corporate Structure – Name, Address and Incorporation";

- TSXV Value Security Escrow Agreement dated June 28, 2016, as further described under the heading "Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer"; and

- TSXV Surplus Security Escrow Agreement dated June 28, 2016, as further described under the heading "Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer".

INTERESTS OF EXPERTS

Dale Matheson Carr-Hilton Labonte LLP audited the financial statements of the Company for the financial year ended December 31, 2017. None of the partners of Dale Matheson Carr-Hilton Labonte LLP owned any Shares as at the date of the auditors' report on such audited financial statements or have acquired any Shares since such date.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited financial statements and MD&A for the financial year ended December 31, 2017, which are also available under the Company's SEDAR profile.