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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U .S. Securities Act") and, may not be reoffered, resold or transferred to, or for the account or benefit, of a U.S. Person (as that term is defined in Regulation S of the U.S. Securities Act) except pursuant to an effective registration statement under the U.S. Securities Act, and any applicable state securities laws, or pursuant to an available exemption from the registration requirements from the U.S. Securities Act and any applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities offered hereby in the United States to, or for the account or benefit, of a U.S. Person. See "Plan of Distribution".

PRELIMINARY PROSPECTUS

railtown.ai

New Issue **July 9, 2021**

RAILTOWN AI TECHNOLOGIES INC.

Minimum Offering: $3,000,000 (7,500,000 Offered Shares)
Maximum Offering: $5,000,000 (12,500,000 Offered Shares)
$0.40 per Offered Share

Railtown AI Technologies Inc. ("**Railtown**" or the "**Company**") is filing this prospectus (the "**Prospectus**") to qualify the distribution (the "**Offering**") of up to 12,500,000 common shares in the authorized share structure of the Company (each, an "**Offered Share**") at a price of $0.40 per Offered Share (the "**Offering Price**") for aggregate gross proceeds of a minimum of $3,000,000 (the "**Minimum Offering**") and a maximum of $5,000,000 (the "**Maximum Offering**"). The Offered Shares are being offered on a "commercially reasonable efforts" basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the "**Agency Agreement**") dated [●], 2021, between the Company and Roth Canada, ULC (the "**Agent**"). The terms of the Offering were determined by negotiation between the Company and the Agent.

	Price to the Public	Agent's Fee[(1)(2)]	Net Proceeds to the Company[(3)(4)]
Per Offered Share	$0.40	$0.028	$0.372
Minimum Offering	$3,000,000	$310,000	$2,690,000
Maximum Offering	$5,000,000	$450,000	$4,550,000

(1) In consideration for the services rendered by the Agent in connection with the Offering, the Company has agreed to pay the Agent a fee (the "**Agent's Fee**") equal to 7% of the gross proceeds of the Offering (including upon any exercise of the Over-Allotment Option (as defined below)), payable in cash or Common Shares (as defined below) or any combination thereof, all at the option of the Agent (subject to the prescribed limits on the number of Common Shares, including the Agent's Warrants (as defined below) and the Corporate Finance Fee Shares (as defined below), or other securities of the Company that may be issued to the Agent as compensation under Section 11.2 of NI 41-101). The table above assumes that the Agent elects to receive the Agent's Fee in cash. The Company has also agreed to pay to the Agent a corporate finance fee of $350,000 (the "**Corporate Finance Fee**"), consisting of $100,000 payable in cash and 625,000 Common Shares (the "**Corporate Finance Fee Shares**"), at a deemed price equal to the Offering Price. Subject to Section 11.2 of NI 41-101, this Prospectus qualifies the grant of any Common Shares issued as payment of the Agent's Fee (assuming the Agent elects to receive such fee in Common Shares), the Agent's Warrants and the Corporate Finance Fee Shares. See "*Plan of Distribution*".

(2) As additional consideration for the services rendered by the Agent in connection with the Offering, the Company has agreed to grant to the Agent non-transferable share purchase warrants (the "**Agent's Warrants**") that will entitle the Agent to purchase such number of Common Shares of the Company (the "**Agent's Warrant Shares**") equal to 10% of the total number of Offered Shares sold under the Offering (including upon any exercise of the Over-Allotment Option) at a price per Agent's Warrant Share equal to the Offering Price, for a period of twelve months following the Closing Date (as defined herein). See "*Plan of Distribution*".

(3) After deducting the Agent's Fee (assuming the Agent elects to receive such fee in cash) and the cash portion of the Corporate Finance Fee, but before deducting the expenses and costs relating to the Offering which are estimated to be $190,000 if the Minimum Offering is completed and $250,000 if the Maximum Offering is completed. The Agent's Fee, the cash portion of the Corporate Finance Fee and the expenses and costs relating to the Offering will be paid from the gross proceeds of the Offering. See "*Use of Proceeds*".

(4) This table excludes any additional Offered Shares issuable upon any exercise of the Over-Allotment Option. The Company has granted the Agent an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, in the sole discretion of the Agent, at any time up to 48 hours prior to the date of closing of the Offering (the "**Closing Date**"), to purchase up to an aggregate number of additional Common Shares (the "**Additional Shares**") as is equal to 15% of the aggregate number of Offered Shares issued pursuant to the Offering at a price equal to the Offering Price to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Agent's Fee (assuming the Agent elects to receive such fee in cash) and the cash portion of the Corporate Finance Fee, and net proceeds to the Company (before payment of the expenses of the Offering) will be $5,750,000, $502,500 and $5,247,500, respectively. The grant of the Over-Allotment Option and the distribution of any Additional Shares issued pursuant to the Over-Allotment Option are qualified by this Prospectus. A purchaser who acquires Offered Shares forming part of the Agent's over-allocation position acquires those Offered Shares under this Prospectus, regardless of whether the Agent's over-allocation position is ultimately filled through exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The Additional Shares, together with the Offered Shares, are the "**Offered Securities**". Unless the context otherwise requires, all references to the "Offering", "Corporate Finance Fee Shares", "Agent's Fee" (assuming the Agent elects to receive such fee in Common Shares), "Agent's Warrants" and "Agent's Warrant Shares" in this Prospectus includes all securities issuable upon exercise of the Over-Allotment Option.

The following table sets out the number of securities that may be issued by the Company to the Agent in connection with the Offering:

Agent's Position [(1)]	Number of Securities Available or Maximum Size [(2)]	Number of Securities Available or Maximum Size [(3)]	Exercise Period	Exercise Price
Agent's Fee [(4)]	525,000 Common Shares	1,006,250 Common Shares	N/A	N/A

Agent's Warrants [5]	750,000 Agent's Warrant Shares	1,437,500 Agent's Warrant Shares	12 months following the Closing Date	$0.40 per Agent's Warrant Share
Corporate Finance Fee [6]	625,000 Corporate Finance Fee Shares	625,000 Corporate Finance Fee Shares	N/A	N/A
Over-Allotment Option	N/A	1,875,000 Additional Shares	At any time up to 48 hours prior to the Closing Date	$0.40 per Additional Share

(1) This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Shares. See "*Plan of Distribution*".

(2) Assumes completion of the Minimum Offering.

(3) Assumes completion of the Maximum Offering and that the Over-Allotment Option is exercised in full.

(4) Pursuant to the Agency Agreement, the Agent's Fee is payable in cash or Common Shares (as defined below) or any combination thereof, all at the option of the Agent (subject to the prescribed limits on the number of Common Shares, including the Agent's Warrants and the Corporate Finance Fee Shares, or other securities of the Company that may be issued to the Agent as compensation under Section 11.2 of NI 41-101). The table above assumes that the Agent elects to receive the Agent's Fee in Common Shares. Subject to Section 11.2 of NI 41-101, this Prospectus qualifies the issuance of Common Shares pursuant to the Agent's Fee. See "*Plan of Distribution*".

(5) Pursuant to the Agency Agreement, the Agent will receive Agent's Warrants that will entitle the Agent to purchase such number of Agent's Warrant Shares equal to 10% of the total number of Offered Shares sold under the Offering (including upon any exercise of the Over-Allotment Option) at a price per Agent's Warrant Share equal to the Offering Price, for a period of twelve months following the Closing Date. Subject to Section 11.2 of NI 41-101, this Prospectus qualifies the grant of the Agent's Warrants. See "*Plan of Distribution*".

(6) Pursuant to the Agency Agreement, the Agent will also receive the Corporate Finance Fee, comprised of $100,000 in cash and 625,000 Corporate Finance Fee Shares, at a deemed price equal to the Offering Price. Subject to Section 11.2 of NI 41-101, this Prospectus qualifies the distribution of the Corporate Finance Fee Shares. See "*Plan of Distribution*".

The Company intends to apply to list all common shares in the authorized share structure of the Company (each, a "**Common Share**") on the Canadian Securities Exchange (the "**CSE**"). The listing will be subject to the Company fulfilling all the initial listing requirements and conditions of the CSE including prescribed distribution and financial requirements. There is no guarantee that the CSE will provide approval for the listing of the Common Shares. See "*Plan of Distribution*".

There is currently no market through which any of the securities of the Company may be sold and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. Any investment in the Common Shares is speculative and involves a high degree of risk due to various factors, including the nature of the Company's business. An investment in the Common Shares should only be made by persons who can afford a total loss of their investment. See "*Risk Factors*".

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

Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal, and other aspects of this investment.

The Offering is not underwritten or guaranteed by any person or agent. The terms of the Offering were determined by negotiation between the Company and the Agent. The Agent conditionally offers the Offered Securities for sale on a "commercially reasonable efforts" basis and subject to prior sale, if, as and when issued by the Company, in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal and tax matters on behalf of the Company by Bennett Jones LLP, and as to certain legal matters on behalf of the Agent by DuMoulin Black LLP. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. See "*Plan of Distribution*".

If subscriptions to purchase Offered Securities representing the Minimum Offering have not been received, or if the Offering has not otherwise closed, within ninety days of the issuance of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within ninety days of the issuance of such receipt and in any event not later than one hundred eighty days from the date of receipt for the final Prospectus, the Offering will cease. The Agent, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*".

In accordance with applicable laws and policies, the Agent may effect transactions that stabilize or maintain the market price of Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, BC V5A 4W2. The registered and records office of the Company is located at 3148 Highland Boulevard, North Vancouver, BC V7R 2X6.

PROSPECTIVE INVESTORS SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. NEITHER THE AGENT NOR THE COMPANY HAVE AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. READERS SHOULD ASSUME THAT THE INFORMATION APPEARING IN THIS PROSPECTUS IS ACCURATE ONLY AS OF ITS DATE, REGARDLESS OF ITS TIME OF DELIVERY. THE COMPANY'S BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS MAY HAVE CHANGED SINCE THAT DATE.

AGENT

ROTH CANADA, ULC
Suite 1909 - 130 King Street West
Toronto, Ontario
M5X 1E3
Telephone: 647-983-4955

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus are forward-looking statements or information (collectively "**forward-looking statements**"). The Company is providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "anticipates", "is expected to", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking. The Company has based the forward-looking statements largely on its current estimates, assumptions and projections about future events and trends that it believes, as of the date of this Prospectus, may affect its business, financial condition and results of operations. These forward-looking statements include, among other things, statements relating to: the development, functionality, commercialization, release and adoption of the Railtown AI Platform and its various editions; the Company's phased plan to market the Railtown AI Platform to targeted groups; the business, operations and profitability of the Company; the sale of Offered Shares and closing of the Offering; the exercise of the Over-Allotment Option; the use of proceeds of the Offering; the listing of the Common Shares on the CSE; the business objectives and milestones of the Company; and the impact of COVID-19 on the Company.

Forward-looking statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in which it operates. In making the forward-looking statements included in this Prospectus, the Company has made various assumptions, including, among others, that: the Offering will be completed and that any additional financing required will be available on reasonable terms; the Company will be able to raise any necessary additional capital on reasonable terms to execute the Company's business plan; the Company's current corporate activities will proceed as expected; general business and economic conditions will not change in a material adverse manner; budgeted costs and expenditures are and will continue to be accurate; future currency exchange and interest rates will remain consistent with the Company's expectations; the Company will be able to attract and retain skilled personnel; the political, legal and regulatory environments in which the Company operates will remain stable; any required governmental, regulatory and third-party approvals, licenses and permits will be obtained on favourable terms; financial and capital markets will remain stable; and the effects of by COVID-19 on the operations of the Company will remain consistent with the Company's expectations. Although management believes that these assumptions are reasonable, they may prove to be incorrect.

By their nature, forward-looking statements involve numerous inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks and uncertainties, many of which are beyond the Company's control, include, but are not limited to: the inability to close the Offering; the ability of the Company to complete the development of its products and establish a market for them; competitive conditions in the SaaS (as defined below) industry which could prevent the Company from becoming profitable; the effectiveness and efficiency of advertising and promotional expenditures to generate interest in the Company's products; the inability to list on the CSE; volatility of the Company's Common Share price following listing on the CSE; the inability to secure additional financing; the Company's intention not to pay dividends; claims, lawsuits and other legal proceedings and challenges; conflicts of interest with directors and management; and other relevant factors.

Factors that could cause the Company's actual results to differ from the forward-looking statements include its history of losses from operations; technology risks; its ability to obtain the additional financing required to meet long-term goals; its dependence on key personnel, including its executive officers; and uninsured risks. These factors are not exhaustive. See "*Risk Factors*".

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. There can be no assurance that such information or statements will prove to be accurate, and accordingly, readers should not place undue reliance on forward-looking statements.

All of the forward-looking statements contained in this prospectus are expressly qualified by the foregoing cautionary statements. Prospective investors should read this entire prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

MARKETING MATERIALS

A "template version" of the following "marketing materials" (each such term as defined in NI 41-101) for the Offering filed with the securities commission or similar regulatory authority in British Columbia, Alberta and Ontario are specifically incorporated by reference into this Prospectus:

- the term sheet filed on SEDAR on July 9, 2021; and
- the investor presentation filed on SEDAR on July 9, 2021.

The term sheet and investor presentation referred to above are available under the Company's profile on SEDAR at www.sedar.com. In addition, any template version of any other marketing materials filed with the securities commission or similar regulatory authority in British Columbia, Alberta and Ontario in connection with the Offering, after the date hereof, but prior to the termination of the distribution of Offered Shares pursuant to the Prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials utilized in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus.

GLOSSARY OF TERMS

In this Prospectus, the following terms shall have the meaning set out below, unless otherwise indicated or the context otherwise required:

"**Additional Shares**" has the meaning given to such term on the second page of this Prospectus.

"**Agency Agreement**" has the meaning given to such term on the cover page of this Prospectus

"**Agent**" has the meaning given to such term on the cover page of this Prospectus.

"**Agent's Fee**" has the meaning given to such term on the second page of this Prospectus.

"**Agent's Warrant Shares**" has the meaning given to such term on the second page of this Prospectus.

"**Agent's Warrants**" has the meaning given to such term on the second page of this Prospectus.

"**AI**" or "**artificial intelligence**" means the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings.

"**Alternative Transaction**" has the meaning given to such term under the heading "*Plan of Distribution*".

"**Annual Financial Statements**" means the audited financial statements of the Company for the years ended September 30, 2020 and 2019, which are included as Schedule "A" to this Prospectus.

"**Annual MD&A**" means the management's discussion and analysis of the Company for the years ended September 30, 2020 and 2019, which is included as Schedule "B" to this Prospectus.

"**Articles**" means the articles of the Company.

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

"**CI/CD**" means the combined practice of continuous integration and either continuous delivery or continuous deployment.

"**Closing Date**" has the meaning given to such term on the second page of this Prospectus.

"**Common Shares**" has the meaning given to such term on the third page of this Prospectus.

"**Company**" or "**Railtown**" has the meaning given to such term on the cover page of this Prospectus.

"**Controlling Individual**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**Corporate Finance Fee**" has the meaning given to such term on the second page of this Prospectus.

"**Corporate Finance Fee Shares**" has the meaning given to such term on the second page of this Prospectus.

"**CRA**" means the Canada Revenue Agency.

"**CSE**" has the meaning given to such term on the third page of this Prospectus.

"**DDoS**" has the meaning given to such term under the heading "*Risk Factors*".

"**DPSP**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**Escrow Agreement**" has the meaning given to such term under the heading "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Escrow Holders**" has the meaning given to such term under the heading "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Escrowed Securities**" has the meaning given to such term under the heading "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Financial Statements**" means, collectively, the Annual Financial Statements and the Interim Financial Statements.

"**forward-looking statements**" has the meaning given to such term under the heading "*Caution Regarding Forward-Looking Statements*".

"**Interim Financial Statements**" means the financial statements of the Company for the six-months ended March 31, 2021, which are included as Schedule "A" to this Prospectus.

"**Interim MD&A**" means the management's discussion and analysis of the Company for the six months ended March 31, 2021, which is included as Schedule "B" to this Prospectus.

"**Maximum Offering**" has the meaning given to such term on the cover page of this Prospectus.

"**MD&A**" means, collectively, the Annual MD&A and the Interim MD&A.

"**Minimum Offering**" has the meaning given to such term on the cover page of this Prospectus.

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements*, as amended from time to time.

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*, as amended from time to time.

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*, as amended from time to time.

"**NLP**" means a branch of artificial intelligence that helps computers understand, interpret and manipulate human language.

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings*, as amended from time to time.

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines*, as amended from time to time.

"**Offered Share**" has the meaning given to such term on the cover page of this Prospectus.

"**Offering**" has the meaning given to such term on the cover page of this Prospectus.

"**Offering Price**" has the meaning given to such term on the cover page of this Prospectus.

"**Over-Allotment Option**" has the meaning given to such term on the second page of this Prospectus.

"**Prospectus**" means this preliminary prospectus.

"**Railtown AI Platform**" means the AI software developed by Railtown which allows users to integrate different data sources to log, ticket and build information into a single dashboard that provides various alerts in order to optimize development results.

"**RDSP**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**Registered Plan**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**RESP**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**RRIF**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**RRSP**" has the meaning given to such term under the heading "*Eligibility for Investment*".

"**SaaS**" or "**software-as-a-service**" means a method of software delivery that allows data to be accessed from any device with an internet connection and a web browser.

"**Stock Option Plan**" means the stock option plan of the Company, which was approved by the Board on October 15, 2020.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.

"**TFSA**" has the meaning given to such term under the heading "*Eligibility for Investment*".

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

"**TTA**" means the technology transfer agreement dated November 1, 2019 entered into among the Company, Marwan Haddad, Cory Brandolini, Elliot Holtham and Perryn Technology Advisors.

"**Warrant**" means a common share purchase warrant of the Company.

PROSPECTUS SUMMARY

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

The Company: The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 11, 2011 under the name 0910254 B.C. Ltd. On July 13, 2011, the Company changed its name to Railtown Capital Corp., and on August 15, 2019, the Company changed its name to Railtown AI Technologies Inc. The Company does not have any subsidiaries.

The Company's head office is located at Unit 104, 8337 Eastlake Drive, Burnaby, BC V5A 4W2 and its registered and records offices are located at 3148 Highland Boulevard, North Vancouver, BC V7R 2X6.

See "*Corporate Structure*" for further details.

The Business of the Company: The Company is in the business of developing a software-as-a-service artificial intelligence solution that helps software development teams detect, analyze and fix errors quickly in their development projects. The Railtown AI Platform allows for real-time exception monitoring and alerting which permits developers, team managers and executives to quickly locate, understand and correct errors in their software development projects and their root causes, thereby preventing system and application downtimes.

The Railtown AI Platform tracks efficiency gains across entire development teams as well as the status and health of applications. It can also track team efficiency and performance over time, and visualize areas of application, team and process improvement.

See "*Description of Business*" for further details.

Listing: The Company intends to apply to list the Common Shares on the CSE. The listing will be subject to the Company fulfilling all the initial listing requirements and conditions of the CSE including prescribed distribution and financial requirements. There is no guarantee that the CSE will provide approval for the listing of the Common Shares. See "*Plan of Distribution*".

The Offering: This Prospectus qualifies the distribution of up to 12,500,000 Offered Shares at a price of $0.40 per Offered Share for gross proceeds of a minimum of $3,000,000 and a maximum of $5,000,000.

The Company has granted the Agent an Over-Allotment Option exercisable at any time up to 48 hours prior to the Closing Date to purchase up to an aggregate number of Additional Shares as is equal to 15% of the aggregate number of Offered Shares issued pursuant to the Offering at a price equal to the Offering Price to cover over-allocations, if any, and for market stabilization purposes.

The Company has agreed to pay the Agent the Agent's Fee equal to 7% of the gross proceeds of the Offering (including upon any exercise of the Over-Allotment Option), payable in cash or Common Shares or any combination thereof, all at the option of the Agent. As additional compensation, the Company has also agreed to issue to the Agent the Agent's Warrants on the Closing Date. The Agent's Warrants will entitle the Agent to purchase such number of Agent's Warrant Shares equal to 10% of the total number of Offered Shares sold under the Offering (including upon any exercise of the Over-Allotment Option), at a price per Agent's Warrant Share equal to the Offering Price, for a period of twelve months following the Closing Date. The Company has also agreed to pay to the Agent the Corporate Finance Fee, comprised of $100,000 payable in cash and 625,000 Corporate Finance Fee Shares, at a deemed price equal to the Offering Price.

See "*Plan of Distribution*" for further details.

Directors and Executive Officers:	Cory Brandolini – President, Chief Executive Officer, Director Paul Woodward – Chief Financial Officer, Director Marwan Haddad – Chief Technology Officer, Director Robert Goehring – Director Anna-Maria Parente – Director See "*Directors and Officers*" for further details.

Use of Proceeds:

As at March 31, 2021, the Company had $878,163 in cash.

The Company expects to receive net proceeds of approximately $2,690,000 under the Minimum Offering and $4,550,000 (assuming the Agent's Fee is paid in cash and after deducting such amount and the cash portion of the Corporate Finance Fee, but before deducting other expenses of the Offering). The net proceeds of the Offering will be added to the Company's estimated working capital of approximately $500,000 as at June 30, 2021, which will result in approximately $3,190,000 or $5,050,000 in available funds to the Company under the Minimum Offering and Maximum Offering, respectively.

Over the next 12 months, the Company plans to use the total funds available substantially as follows:

Principal Purpose	Amount ($)(1)	Amount ($)(2)
Expenses of the Offering	190,000	250,000
Software Development	900,000	900,000
Sales and Marketing	915,000	1,250,000
Management Fees	235,000	235,000
Benefits and Insurance	85,000	105,000
Equipment	24,000	36,000
Hosting Costs	50,000	50,000
Professional fees (including audit, accounting and legal)	200,000	200,000
Filing and regulatory expenses	80,000	130,000
Office expenses (including rent)	70,000	100,000
Other general and administrative expenses	36,000	36,000
Unallocated working capital	405,000	1,758,000
Total	**3,190,000**	**5,050,000**

(1) Assumes completion of the Minimum Offering.
(2) Assumes completion of the Maximum Offering and that the Over-Allotment Option is not exercise.

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where for sound business reasons, a reallocation of funds may be necessary.

See "*Use of Proceeds*" for further details.

Risk Factors:

The activities of the Company are subject to the risks normally encountered in an early stage enterprise, including: negative cash flow; dependence on one principal product; complexity of regulatory compliance; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues, and no history of earnings or dividends; competition; economic changes; and uninsured risks.

There is currently no public market for the Common Shares and there can be no assurance that an active market for the Common Shares will develop or be sustained. The value of the Common Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. Adverse tax consequences will arise with respect to any

Offered Securities held in RRSPs, RRIFs, TFSAs or other deferred plans if such Offered Securities are not listed on the CSE prior to the time of the closing of the Offering in the manner contemplated under "*Eligibility for Investment*".

See "*Risk Factors*" for further details.

Summary of Financial Information: The tables below summarize selected financial data for the periods indicated and should be read in conjunction with the Financial Statements and the "*Management's Discussion and Analysis*" section included elsewhere in this Prospectus.

Statement of Comprehensive Income (Loss)	**For the six-months ended March 31, 2021 ($)**	**For the year ended September 30, 2020 ($)**	**For the year ended September 30, 2019 ($)**
Revenue	-	-	-
Expenses	(652,844)	433,991	47,235
Other income	-	(1,000,000)	47,420
Net and comprehensive income (loss)	(652,844)	(1,433,991)	185
Basic and diluted earnings (loss) per Common Share	(0.01)	(0.02)	0.00

Statement of Financial Position	**March 31, 2021 ($)**	**September 30, 2020 ($)**	**September 30, 2019 ($)**
Current assets	911,255	259,031	66,128
Total assets	927,634	272,129	66,128
Current and total liabilities	51,937	27,268	15,486
Working capital	859,318	231,763	50,642
Accumulated deficit	(2,351,840)	(1,698,996)	(265,005)

CORPORATE STRUCTURE

Name, Address and Incorporation; Intercorporate Relationships

The Company was incorporated as 0910254 B.C. Ltd. under the *Business Corporations Act* (British Columbia) on May 11, 2011. On July 13, 2011, the Company changed its name to Railtown Capital Corp., and on August 15, 2019, it changed its name to Railtown AI Technologies Inc. In connection with this name change, the Company also: (a) completed a consolidation of its Common Shares on the basis of one new Common Share for each 5.754 existing Common Shares; (b) amended its authorized share structure by creating a new class of "blank cheque" preferred shares without par value; and (c) adopted an amended and restated set of Articles to, among other things, reflect the rights and restrictions attached to the preferred shares. See "*Description of Authorized Share Structure*" for further details.

The Company does not have any subsidiaries.

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, BC V5A 4W2 and its registered and records offices are located at 3148 Highland Boulevard, North Vancouver, BC V7R 2X6.

The Company's fiscal year end is September 30.

DESCRIPTION OF BUSINESS

The Railtown AI Platform

The Railtown AI Platform is an AI-driven platform built specifically to discover, track, monitor, and notify software developers about critical bugs and errors in their software development projects.[1] The Railtown AI Platform applies AI and NLP technology at every stage of software development, aggregating different data sources (logs, tickets, build, and deployment information), and transforms that data into a simple and clear picture with actionable insights, raising confidence in the application and the CI/CD pipeline.

The Railtown AI Platform allows users to quickly integrate different data sources, including developer ticket information, from various applications (such as GitHub and Atlassian), DevOps tools (a set of practices that combines software development (Dev) and IT operations (Ops), such as Jenkins and Terraform), and other sources (such as Splunk, Solarwinds Loggly and Google) and build information into a single dashboard that provides various alerts in order to optimize results. There are currently two versions of the platform: the Developer Version (designed to be free to use but limited in functionality) and the Teams Version. A third version, the Enterprise Edition, is expected to be developed in the future. The differences between the three platforms are outlined in the figure below.

[1] For examples of the impact of various software bugs and errors see: https://www.npr.org/2021/06/09/1004684932/fastly-tuesday-internet-outage-down-was-caused-by-one-customer-changing-setting; https://www.zdnet.com/article/microsofts-azure-ad-authentication-outage-what-went-wrong/; https://www.nbcnews.com/tech/internet/amazon-web-services-issue-leaves-part-internet-disarray-n726876; https://www.wired.com/story/facebook-data-leak-contact-import-flaws/; https://techcrunch.com/2021/05/24/zocdoc-bug-patient-data; and https://www.businessinsider.com/flights-canceled-as-british-airways-hit-by-computer-problem-2019-8.

Developer Edition	Team Edition	Enterprise Edition
Basics for students, teachers and solo developers	Advanced dashboards, analytics and CI/CD support for teams	**(Future Release)** Custom and flexible deployment for enterprises
✓ Single project ✓ Single developer ✓ Support local + 1 deployed environment ✓ Advanced error tracing and bucketing ✓ Notification on errors	✓ Multi-project ✓ Multi-developer ✓ Full CI/CD support ✓ Ticket Integration ✓ AI algorithm for matching errors with tickets in the CI/CD pipeline ✓ Personal information/Secret detection and alerting ✓ Advanced team and team member productivity Dashboards	✓ Multi-project ✓ Multi-developer ✓ Full CI/CD support ✓ Ticket Integration ✓ AI algorithm for matching errors with tickets in the CI/CD pipeline ✓ Personal information/Secret detection and alerting ✓ Advanced team and team member productivity Dashboards
For students, teachers and solo developers	For software teams	For large organizations

Railtown AI Platform Automated Insights

Once the Railtown AI Platform has begun receiving the various data inputs such as logs and tickets, the machine learning pipeline generates automated insights which are displayed to the user on the customized dashboards, as well as through various alerting systems such as Slack for example. These insights allow teams to optimize their development and deployment processes and improve efficiency throughout the entire organization from individual software developers to executives. The automated insights are delivered through a number deployed cloud-based technology modules outlined below.

Application Log Analysis and Exceptions

When an error occurs, a custom machine learning based pipeline has been developed that takes inputs such as log outputs and ticket information and locates and highlights the likely code change which caused the application error. The AI module analyzes both the temporal information of when the errors were created, as well as the text information within the log entries themselves. The machine learning model leverages recent advances in NLP with network architectures such as pre-trained transforms with attention which is currently producing state of the art NLP results. Custom curated datasets are used to tune the algorithm and benchmark performance. With sufficient data logs, the models may be able to accurately predict failure scenarios before failure, by simulating the performance of the system outside of currently run operating parameter regimes or user load scenarios.

Team Level Insights

The Railtown AI Platform also incorporates insights into team efficiencies and weaknesses within groups. This level of insight can provide valuable information to team leaders and company management about the efficiency of their software teams in near real-time, and how efficiencies (or lack thereof), are changing with time.

Team Member Insights

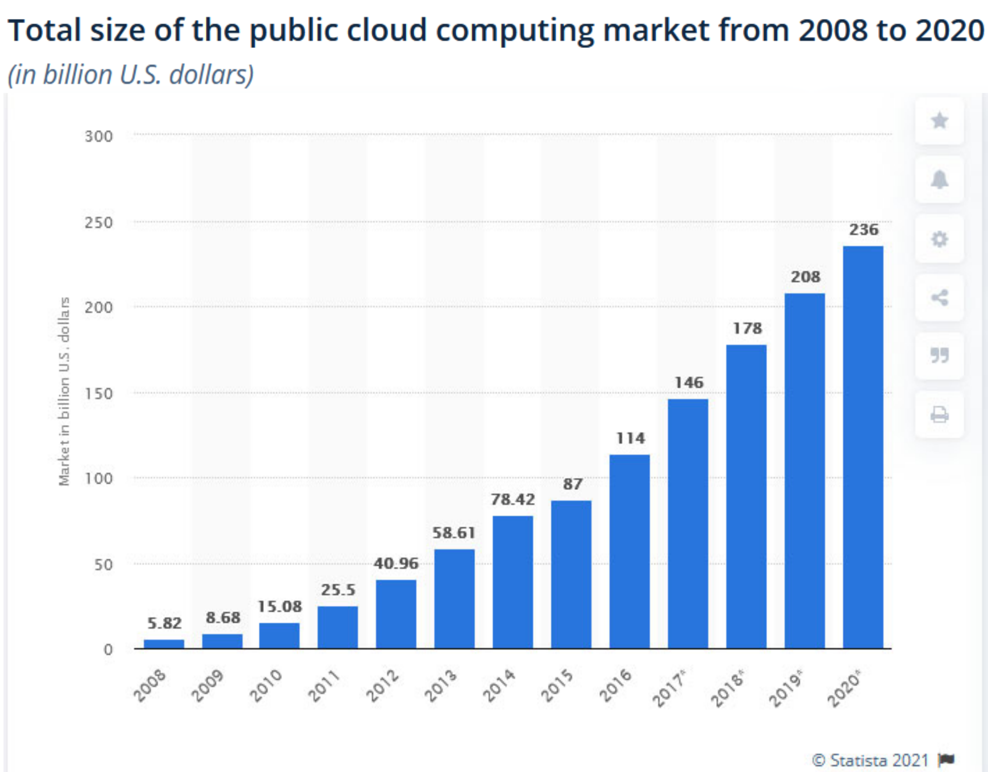
The Railtown AI Platform also incorporates and seamlessly fuses information about individual performance, such as the number of hours an individual has worked at a company, their work experience, the time of day at which certain code was written, and the speed at which the code was written, to determine the likelihood that the code is well-written and will not disrupt any software functionality when committed. Employee-level insights can also assist managers with understanding the impact of constructive feedback and training initiatives.

Real-time Insights and Online Learning

The machine learning insights are built into an end-to-end data pipeline which ingests the different data input streams and returns the predicted insight metrics. The pipeline has been setup to be highly scalable, and easily deployable on different cloud architectures. The current algorithm and data pipeline has been created such that it can be automatically tuned and become more accurate as additional data is ingested into the machine learning system. As with the majority of machine learning based systems, the application accuracy is highly related to the amount and diversity of training data available. Being able to quickly update the deployed model to leverage new data and train the machine learning from this knowledge is critical to provide optimal performance.

Background

A proxy for the increasing digitization of the economy is the cloud computing market. As seen in the chart below, over the last decade, the growth of cloud-based software applications has increased significantly. This growth has been accompanied by a corresponding increase in the importance and complexity of the software powering and inhabiting the cloud. The number of software developers has similarly grown in numbers. Evans Data's *Global Developer Population and Demographic Study*, released in May 2019 estimated that the worldwide developer population was expected to grow, from 23.9 million to 28.7 million by 2024.[2]



Source: https://www.statista.com/statistics/510350/worldwide-public-cloud-computing/

Since virtually every industry today relies heavily on software applications, it is crucial for companies to ensure that their software is manageable, user-friendly and efficient.

Tracking and correcting software development errors is complicated and time consuming, and locating and fixing errors is frustrating, inefficient, and expensive. A 2018 study by Stripe found that the average

[2] https://evansdata.com/press/viewRelease.php?pressID=278.

developer spent over 40% of their time dealing with bad code/errors, debugging, refactoring, or modifying.[3] Numerous tools and integrations are often required to analyze logs, tickets (or code changes) and builds, thereby increasing the complexity of dealing with the errors. The process involves submitting queries, analyzing symptoms, identifying a root cause, deploying a fix, and monitoring the results to ensure there are no follow-up issues. Unfortunately, many teams and organizations do not possess the discipline, skills and resources required to improve process efficiency in a continuous and seamless way.

Railtown's goal is to continuously improve every stage of software development. By combining lean manufacturing principles and machine learning, the Company's platform is expected to fuel an AI-driven improvement cycle that will both enhance quality and reduce costs for organizations.

The Agile Software Development Methodology

Until the mid-1990s, the dominant software development methodology was a sequential life cycle approach comprised of detailed and complete requirements, documentation of design and architecture, coding, and testing of the completed project – this methodology was termed "waterfall". Waterfall developed projects were typically late, over budget and over-engineered, resulting in a poor reception from users. The primary reason for this was that the project was completely designed based upon initial customer needs and was not able to easily change course when new or more refined requirements arose.

In 2001, developers who had been exploring different software development methodologies published the *Manifesto for Agile Software Development*. "Agile Software Development" became a collective term for the new development methods, which are all based on iterative and incremental development of self-organizing cross-functional teams, rapidly responding to change. Agile Software Development is based on an iterative life cycle. This means that in one iteration cycle, an increment of the software is analyzed, designed, built, and tested. By the end of the iteration, the software increment is fully usable. These increments build up over time to form the final product. This method makes it possible for a quick and inexpensive reaction to requirement changes and errors that arise throughout the process. The incremental deliveries of a "finished" product ensure that there is always a potentially useable version of functioning product in existence. The agile methodology emphasizes the importance of testing continually throughout the process, as it allows for proactive measures when it comes to errors and software bugs. Because there is always a functioning product, this methodology also generates copious application data throughout the process.

The Railtown AI Platform is seeking to improve agile software development by applying AI to the generated application (logs) and development (tickets) data to improve production and identify issues and errors in the software development process as early as possible.

The figure below describes the evolution of software development methodologies.

The Evolution of Software Development

	Waterfall	Agile	Agile - CI/CD	railtown.ai
Description	Shrink wrap software	Digital software and updated regularly	Modern Platforms	AI Driven Modern Platforms
Example	Microsoft Office on CD	Adobe product and regular patches	Microsoft Office Online or Google G Suite	Railtown Machine Learning Platform
Time to ship	Years to release	Months to release	Continuous Release	AI Driven Continuous Release
Quality	Not great	Fair	Better but Expensive: QA + Automation + Developer Tests	Great: AI driven + predictions
Feedback	Very Slow: manual after product release	Slow: manual after release + some automation	Faster but Expensive: manual + automation	Fastest: AI driven + predictions

[3] https://stripe.com/en-ca/reports/developer-coefficient-2018.

Data Analysis

Once ingested into the Railtown AI Platform, data is stored and analyzed with a machine learning engine. The first stage of AI analysis is security parsing, where the Railtown AI Platform parses any application output data such as log files to ensure that personal information has not been inadvertently leaked. This information can include passwords, email addresses, names, credit card information and infrastructure secrets and keys.

The second stage of AI analysis is the monitoring module, which continuously monitors the development process for any issues, including linked libraries which could break the application, and potential application errors introduced by new or refactored code. At this stage, the specific developer ticket is also linked to the identified error, which allows for the issue to be pinpointed directly before any faulty code is pushed to customer-facing live environments. The monitoring module also performs live alerting for the early detection of issues. When software and executive teams are alerted during application staging, live deployment of code can be stopped, potentially preventing any negative consequences that could result from an application crashing or the unauthorized distribution of sensitive personal information.

The final component of AI analysis is the visualization element, which includes numerous dashboards to track the various stages of the development process and analyze both individual developer efficiency and team performance.

Figure 1 illustrates workflow improvements that show demonstrable gains in speed and efficiency achieved by teams using the Railtown AI Platform.

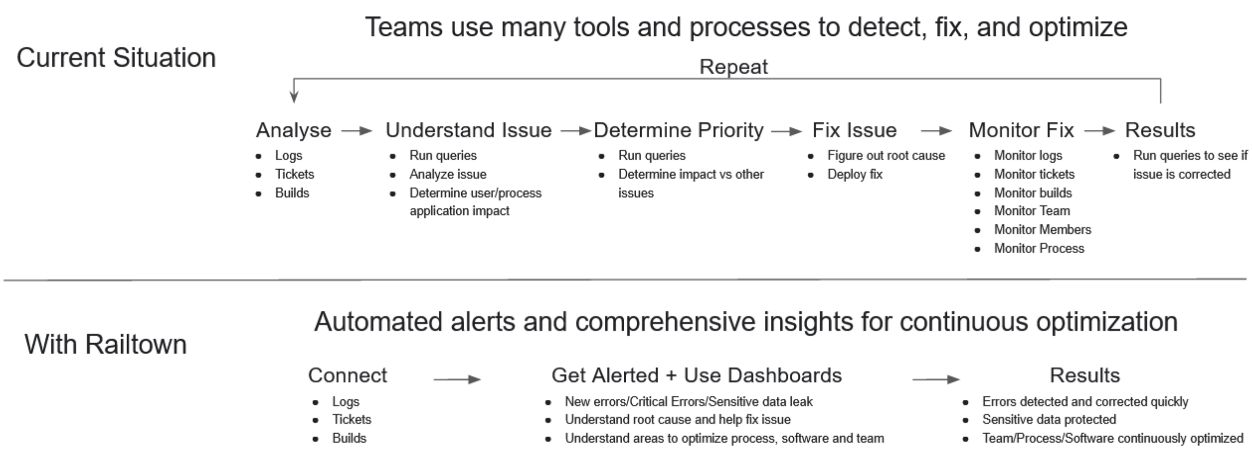


Figure 1: Up to 100% gains through improved speed and efficiency with Railtown AI Platform

Figure 2 illustrates the key integrations of the Railtown AI Platform.

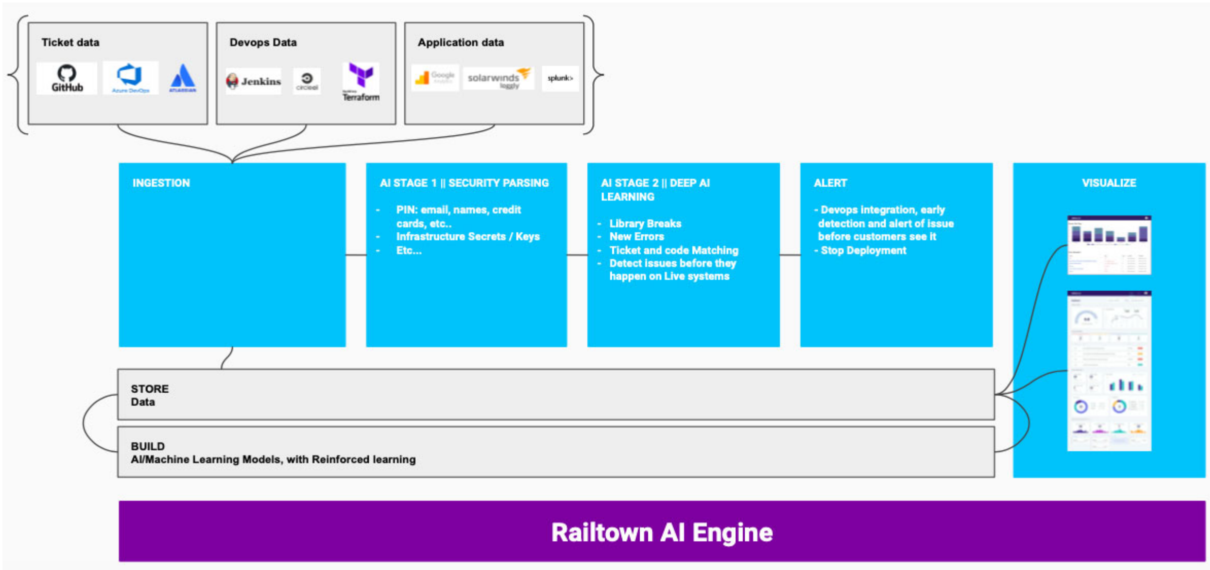


Figure 2: Key integrations in the Railtown AI Platform

Development on the Railtown AI Platform began in January 2020. The Alpha version with integrations for Jira, Github and Microsoft Azure, DevOps, and a gated user base was launched in September 2020, and the Company anticipates releasing the Beta version by September 2021.

Third-Party Integrations

The Railtown AI Platform can integrate with various leading software developments tools, including the following:

- **Atlassian/Jira Products**: Millions of developers around the globe and their software teams rely on Atlassian products to improve software development, project management, collaboration, and code quality. Railtown's technology provides an add-on or dashboard for all Jira users to deliver insights and optimizations and integrate them directly back onto tickets for a more comprehensive view.

- **Microsoft/Github**: GitHub is a website and cloud-based service that helps developers store and manage their code, as well as track and control changes to their code. In 2018, Github was acquired by Microsoft, and it continues to be used by developers and software companies to build, deliver, and collaborate on software solutions. As above, Railtown's technology provides an add-on or dashboard for Github users to deliver insights and optimizations and integrate them directly back onto tickets for a more comprehensive view.

In addition, the Railtown AI Platform, with customization, can be operated on a stand-alone basis by companies using platforms or tools other than Atlassian or Github; for these entities, the technology provides a dashboard for all users to deliver insights and optimizations.

Data Sources

The Railtown AI Platform ingests a variety of data sources through third party integrations. From Github and Jira integrations, the platform obtains information about ticket information, software developers and code changes. Build server details provide information about software application environments, build and deployment details. Live application information is transmitted to the Railtown AI Platform via logs, Google Analytics, and performance data. These integrations allow the Railtown AI Platform to gather as much data as possible and at every stage of the development process.

Figure 3 illustrates certain data integrations into the Railtown AI Platform, including software development tools, build server and live application data.

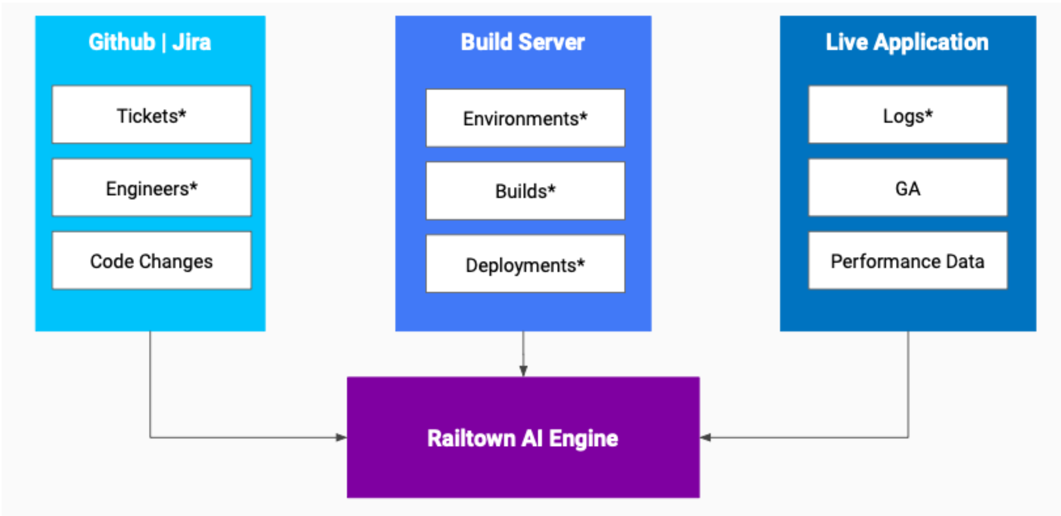


Figure 3: Certain data integrations in the Railtown AI Platform

Functionality

The Railtown AI Platform continuously monitors, detects, and provides alerts on critical issues such as:

- personally identifiable data;
- infrastructure secrets (such as connections strings);
- high error rates; and
- new errors versus repeat errors.

Since a single application error can manifest itself many ways through different entry points to a section of code, it is possible for the same error to result in multiple log errors. This complicates the process of attempting to diagnose a problem by analyzing data to find the ticket and code changes that cause an issue, since multiple error scenarios may be caused by the same bug.

Figure 4 illustrates how the Railtown AI Platform can analyze multiple error scenarios and track back to the specific ticket and code change as well as the build version in which the issue first appeared.

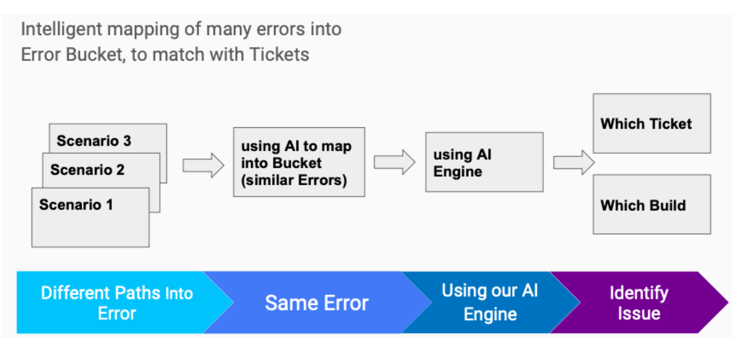


Figure 4: Intelligent error mapping within the Railtown AI Platform

Once the machine learning engine has identified an issue, it can be displayed through the developer dashboard to show development teams in real time which areas of code may be causing problems. The user experience is simple and incorporates red lights highlighting which areas require attention. Team tracking also permits higher-level functionality to monitor team or company-wide performance over time.

Figure 5 provides an example of the developer interface, including in-progress tickets and highlighted areas that may benefit from further investigation.

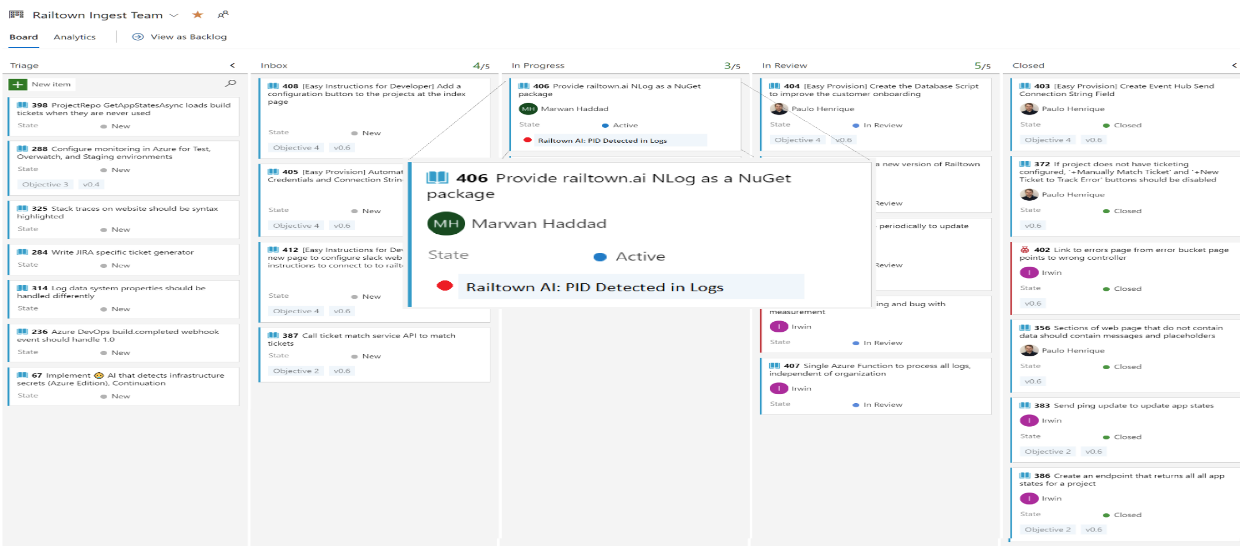


Figure 5: Example of developer interface in the Railtown AI Platform

Figure 6 provides an example application summary overview showing the errors encountered over a 7-day period. The analytics splits the total errors by error category, type, and error count.

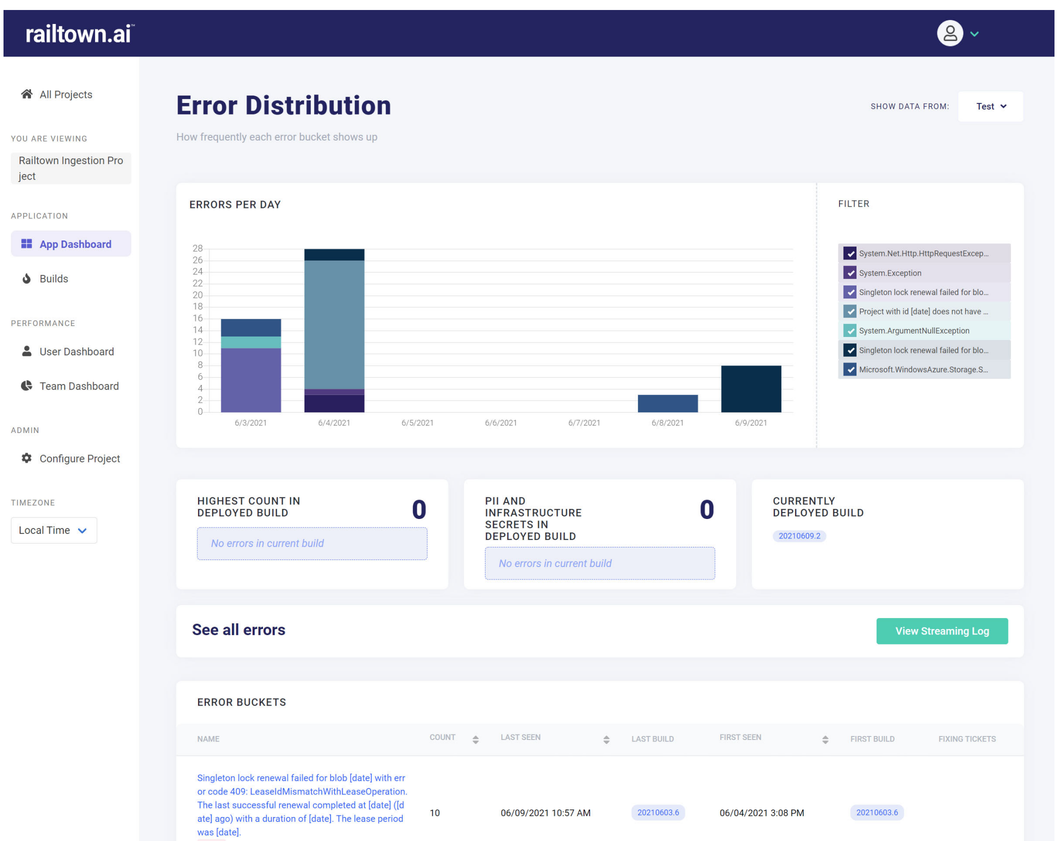
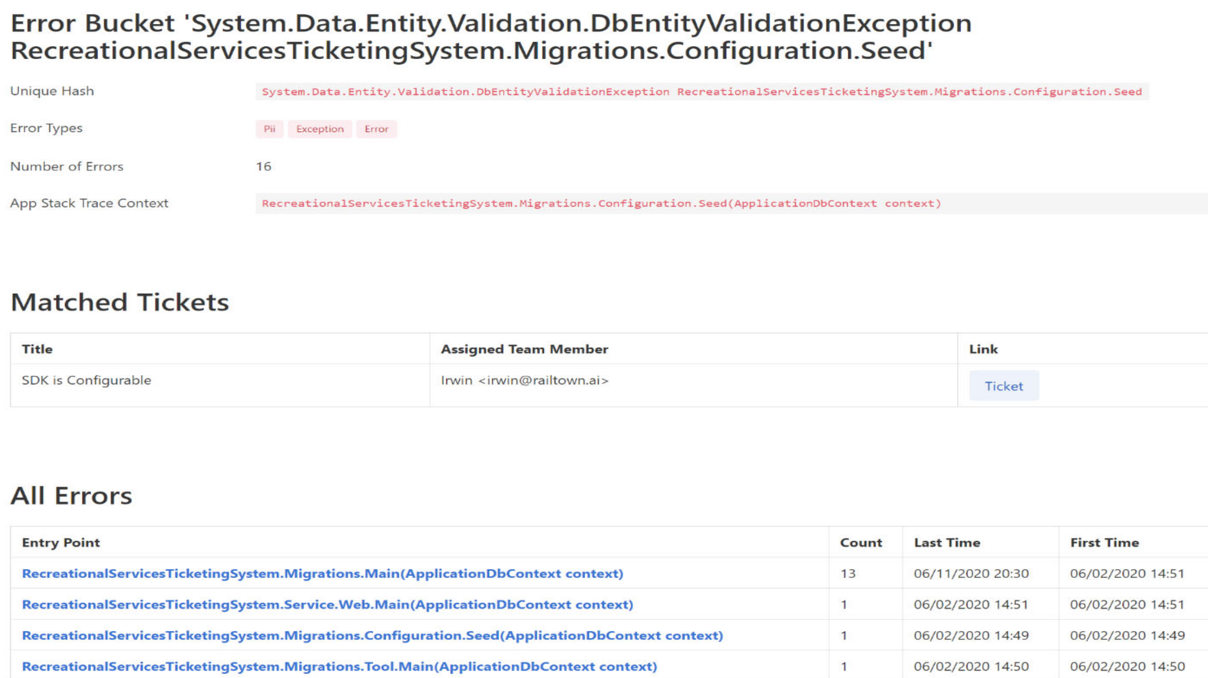


Figure 6: Example of application summary overview in the Railtown AI Platform

Figure 7 provides an example of the Railtown AI Platform matching individual errors with a particular software ticket and Figure 8 provides an example of raw error output within the Railtown AI Platform.



Error Bucket 'System.Data.Entity.Validation.DbEntityValidationException RecreationalServicesTicketingSystem.Migrations.Configuration.Seed'

Unique Hash	System.Data.Entity.Validation.DbEntityValidationException RecreationalServicesTicketingSystem.Migrations.Configuration.Seed
Error Types	Pii Exception Error
Number of Errors	16
App Stack Trace Context	RecreationalServicesTicketingSystem.Migrations.Configuration.Seed(ApplicationDbContext context)

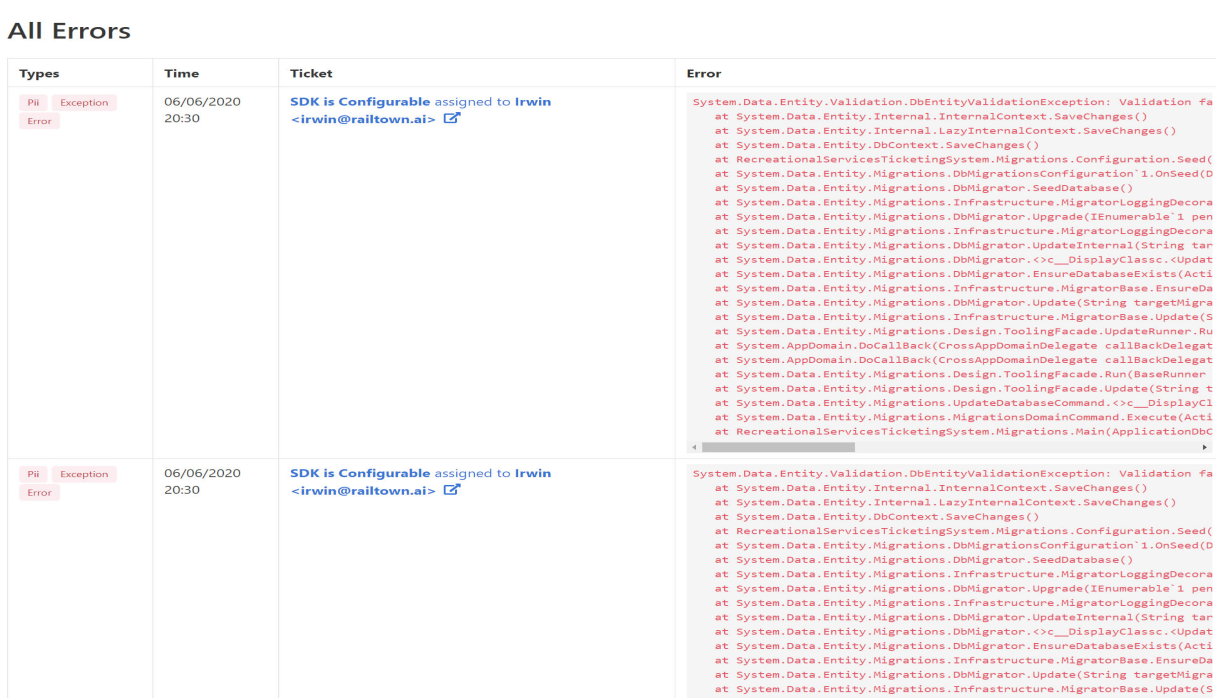
Matched Tickets

Title	Assigned Team Member	Link
SDK is Configurable	Irwin <irwin@railtown.ai>	Ticket

All Errors

Entry Point	Count	Last Time	First Time
RecreationalServicesTicketingSystem.Migrations.Main(ApplicationDbContext context)	13	06/11/2020 20:30	06/02/2020 14:51
RecreationalServicesTicketingSystem.Service.Web.Main(ApplicationDbContext context)	1	06/02/2020 14:51	06/02/2020 14:51
RecreationalServicesTicketingSystem.Migrations.Configuration.Seed(ApplicationDbContext context)	1	06/02/2020 14:49	06/02/2020 14:49
RecreationalServicesTicketingSystem.Migrations.Tool.Main(ApplicationDbContext context)	1	06/02/2020 14:50	06/02/2020 14:50

Figure 7: Example of error matching in the Railtown AI Platform



All Errors

Types	Time	Ticket	Error
Pii Exception Error	06/06/2020 20:30	**SDK is Configurable** assigned to **Irwin <irwin@railtown.ai>**	System.Data.Entity.Validation.DbEntityValidationException: Validation fa at System.Data.Entity.Internal.InternalContext.SaveChanges() at System.Data.Entity.Internal.LazyInternalContext.SaveChanges() at System.Data.Entity.DbContext.SaveChanges() at RecreationalServicesTicketingSystem.Migrations.Configuration.Seed(at System.Data.Entity.Migrations.DbMigrationsConfiguration`1.OnSeed(D at System.Data.Entity.Migrations.DbMigrator.SeedDatabase() at System.Data.Entity.Migrations.Infrastructure.MigratorLoggingDecora at System.Data.Entity.Migrations.DbMigrator.Upgrade(IEnumerable`1 pen at System.Data.Entity.Migrations.Infrastructure.MigratorLoggingDecora at System.Data.Entity.Migrations.DbMigrator.UpdateInternal(String tar at System.Data.Entity.Migrations.DbMigrator.<>c__DisplayClassc.<Updat at System.Data.Entity.Migrations.DbMigrator.EnsureDatabaseExists(Acti at System.Data.Entity.Migrations.Infrastructure.MigratorBase.EnsureDa at System.Data.Entity.Migrations.DbMigrator.Update(String targetMigra at System.Data.Entity.Migrations.Infrastructure.MigratorBase.Update(S at System.Data.Entity.Migrations.Design.ToolingFacade.UpdateRunner.Ru at System.AppDomain.DoCallBack(CrossAppDomainDelegate callBackDelegat at System.AppDomain.DoCallBack(CrossAppDomainDelegate callBackDelegat at System.Data.Entity.Migrations.Design.ToolingFacade.Run(BaseRunner at System.Data.Entity.Migrations.Design.ToolingFacade.Update(String t at System.Data.Entity.Migrations.UpdateDatabaseCommand.<>c__DisplayCl at System.Data.Entity.Migrations.MigrationsDomainCommand.Execute(Acti at RecreationalServicesTicketingSystem.Migrations.Main(ApplicationDbC
Pii Exception Error	06/06/2020 20:30	**SDK is Configurable** assigned to **Irwin <irwin@railtown.ai>**	System.Data.Entity.Validation.DbEntityValidationException: Validation fa at System.Data.Entity.Internal.InternalContext.SaveChanges() at System.Data.Entity.Internal.LazyInternalContext.SaveChanges() at System.Data.Entity.DbContext.SaveChanges() at RecreationalServicesTicketingSystem.Migrations.Configuration.Seed(at System.Data.Entity.Migrations.DbMigrationsConfiguration`1.OnSeed(D at System.Data.Entity.Migrations.DbMigrator.SeedDatabase() at System.Data.Entity.Migrations.Infrastructure.MigratorLoggingDecora at System.Data.Entity.Migrations.DbMigrator.Upgrade(IEnumerable`1 pen at System.Data.Entity.Migrations.Infrastructure.MigratorLoggingDecora at System.Data.Entity.Migrations.DbMigrator.UpdateInternal(String tar at System.Data.Entity.Migrations.DbMigrator.<>c__DisplayClassc.<Updat at System.Data.Entity.Migrations.DbMigrator.EnsureDatabaseExists(Acti at System.Data.Entity.Migrations.Infrastructure.MigratorBase.EnsureDa at System.Data.Entity.Migrations.DbMigrator.Update(String targetMigra at System.Data.Entity.Migrations.Infrastructure.MigratorBase.Update(S

Figure 8: Example of raw error output in the Railtown AI Platform

<u>User Interface</u>

The Railtown AI Platform includes a number of simply designed dashboards that provide critical insights to individual developers, technical team management and company executives. These user dashboards include the following:

- An application overview dashboard that displays the overall status and health of an application over the past seven days and error/issue trends for the application. This dashboard also allows teams to triage and decide which errors to fix or focus on, and to decide if they should continue or revert deployment.

- A bucket/error dashboard that displays the details of errors and which areas/user flows of the application they may be affecting. This dashboard allows teams to dig deep into specific errors and highlights the ticket or code change that caused the error.

Figures 9 and 10 provide examples of two dashboards in the Railtown AI Platform.

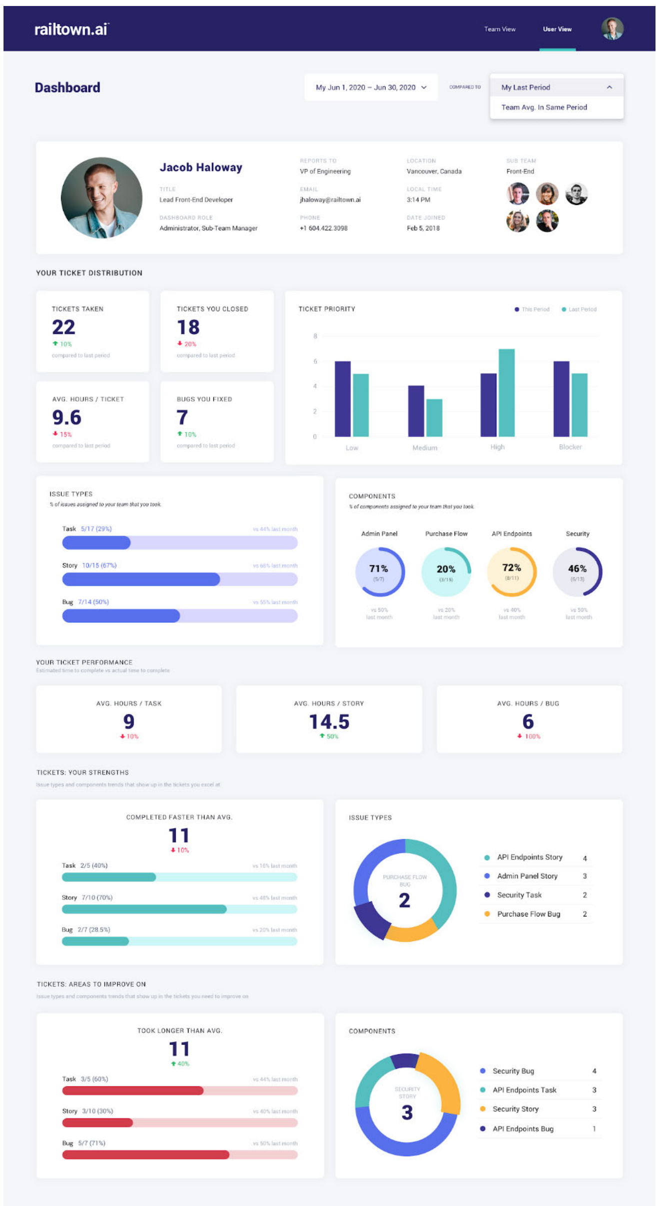


Figure 9: Example of Railtown AI individual user dashboard (Part 1)

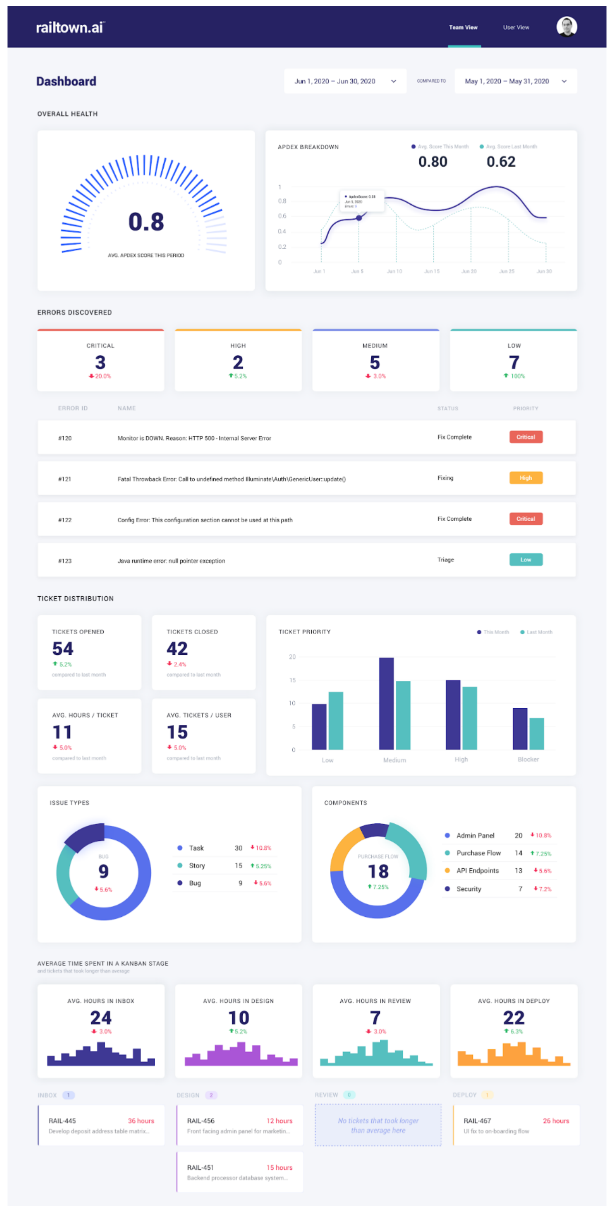


Figure 10: Example of Railtown AI individual user dashboard (Part 2)

The Railtown AI Platform is currently running and hosted on the Microsoft Azure cloud and the Company's management team believes it is fully scalable.

Target Market

Although the Company's management team believes the Railtown AI Platform is effective across organizations of different sizes, from start-ups to multinationals, the Company anticipates primarily targeting the following entities in a phased go-to-market approach.

According to SlashData, C# (Microsoft's .NET framework) is the fifth most popular programming language used by professional software developers.[4] Based on the extensive knowledge and experience in the Microsoft ecosystem of the Company's development team, C# was selected as the first programming language to be supported on the Railtown AI Platform. The total number of C# software developers in the world was estimated to be approximately 6.5 million in Q1 2021.[5]

Currently, the Company's development team is going through the process of becoming a Microsoft Silver Partner[6] (estimated completion August 2021) which will give the Company access to Microsoft partners and startups in the Microsoft ecosystem that use C#. Railtown is also currently engaged in various promotional activities in meetup groups and startup associations.

In Phase 1, the Company will target small but growing teams with less than 50 software developers that use the kanban system and other agile methodologies. The Company's initial sales effort will be directed towards companies that already use the Azure cloud environment, as they are expected to be more receptive and accessible to the Company's technologies.

The Company has also developed capabilities to support individual developers. This cohort will be comprised of independent contractors and software engineers working on side projects. The individual developer edition of the Railtown AI Platform is expected to create a "network effect" (i.e, increase the number of user, which will increase awareness, sales and value).

In Phase 2, the list of supported integrations among ticket tracking, CI/CD pipeline, and error logging systems will be expanded. In this phase, JavaScript, and different variations of it (TypeScript etc.) will be added to the list of supported programming languages. According to SlashData, there were 13.8 million software developers using JavaScript (and variations).[7] As JavaScript is also one of the most popular programming languages among startup companies around the world, the Company's focus in Phase 2 will be on companies that have completed a capital raise, as they are typically embarking on a rapid scale-up, with a necessary increase in the size of their development teams and the importance of code quality. In anticipation of this, Railtown has been building out capabilities that could be used to significantly reduce the onboarding costs per new hire on a development team. During this phase, all the minimal required capabilities to target enterprise development teams will be built out.

In Phase 3, Java and other major programming languages will be added to the Railtown AI Platform, increasing the size of the total addressable market to include most of the world's software developers. The list of supported integrations will be further extended. Railtown's management team anticipates that in this phase, large enterprises will be the primary target for the sales team.

Revenue Model

Railtown's revenue model is proposed to be similar to most other SaaS cloud-based applications and is expected to be focused on generating recurring revenue from annual or monthly subscription packages.

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[4] SlashData (April 2021). State of the Developer Nation 20th Edition. https://www.slashdata.co/free-resources?
[5] Ibid.
[6] https://partner.microsoft.com/en-nl/membership/
[7] SlashData (April 2021). State of the Developer Nation 20th Edition. https://www.slashdata.co/free-resources?

The fee structure is still to be determined, but the Company expects to base its pricing on any or all of the number of software engineers using the Railtown AI Platform at a given organization, the number of data sources being integrated into the platform, and or usage. In addition, Railtown may charge a set-up fee for each client that will cover initial integrations and provisioning or data model set-up.

Specialized Skill and Knowledge

Development of the Railtown AI Platform requires specialized skill and knowledge in the area of software development. Management is comprised of a team of individuals who have extensive expertise and experience in software development and the Company believes it has retained personnel with the required specialized skill and knowledge to carry out the development and commercialization of the Railtown AI Platform. While the current labour market in the industry is highly competitive, the Company expects to be able to attract and maintain appropriately qualified officers, directors, employees and consultants.

Competitive Conditions

Software developers currently use multiple tools when developing new software. The Company believes that the Railtown AI Platform is unique in the software development sector as no competitors offer a similar product. The Railtown AI Platform can be used in conjunction with existing software tools and programs that are commonly used by software developers. The Company expects that pricing of the Railtown AI Platform will be set at a competitive rate so as to not discourage software developers from adopting the technology.

Development of the Business

Since October 1, 2018 to the date hereof, Railtown has generally concentrated its efforts on capital raising activities and the development of the Railtown AI Platform. During that time, the Company developed its business as follows:

On February 28, 2019, the Company issued 300,000 Common Shares at a price of $0.05 per Common Share for gross proceeds of $15,000.

On August 15, 2019, the Company completed a reorganization pursuant to which the Company: (a) changed its name from Railtown Capital Corp. to Railtown AI Technologies Inc.; (b) completed a consolidation of its Common Shares on the basis of one new Common Share for each 5.754 existing Common Share; (c) amended its authorized share structure by creating a new class of "blank cheque" preferred shares without par value; and (d) adopted an amended and restated set of Articles to, among other things, reflect the rights and restrictions attached to the preferred shares.

On September 12, 2019, the Company issued an aggregate of 5,032,332 Common Shares at a price of $0.02 per Common Share to certain creditors upon the conversion of an aggregate of $148,067 in debt.

On September 30, 2019, the Company issued 4,000,000 Common Shares at a price of $0.02 per Common Share for gross proceeds of $80,000.

On October 9, 2019, the Company changed its auditor from Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants to Crowe MacKay LLP, Chartered Professional Accountants.

On November 1, 2019, the Company entered into the TTA, pursuant to which the Company acquired 100% of the right, title and interest of the vendors in and to certain software technology in exchange for the issuance of 50,000,000 Common Shares to the vendors thereunder valued at $1,000,000. Also on November 1, 2019, two of the vendors, Cory Brandolini and Marwan Haddad, were appointed as directors of the Company, replacing Martin Woodward and William Benjamin Catalano.

In January 2020, the Company began developing the Railtown AI Platform using the software technology acquired pursuant to the TTA.

On January 24, 2020, the Company appointed Kevin O'Neill as a director. Kevin O'Neill resigned as a director of the Company on February 5, 2021.

On February 11, 2020, the Company appointed Cory Brandolini as its President, Kevin O’Neill as its Chairman and Marwan Haddad as its Chief Technology Officer. In connection with the appointment of Cory Brandolini, Paul Woodward resigned as the Company's President and Chief Executive Officer on such date and continues to act as the Chief Financial Officer and a director of the Company. Kevin O’Neill resigned as Chairman of the Company on February 5, 2021.

In April 2020, the Company launched the Alpha version 0.1 of the Railtown AI Platform for internal use.

In June 2020, the Company launched the Alpha version 0.2 of the Railtown AI Platform, which included expanded functionality and dashboard integration, again for internal use.

In September 2020, the Company launched the Alpha version 0.3 of the Railtown AI Platform, which included advanced functionality and integrations with Jira, Github, Microsoft Azure and DevOps.

During the year ended September 30, 2020, the Company completed a series of private placements pursuant to which it issued an aggregate of 6,540,000 Common Shares at a price of $0.10 per Common Share for aggregate gross proceeds of $654,000.

On October 15, 2020, the Company adopted the Stock Option Plan and granted 1,000,000 options thereunder to one employee. Such options have since expired.

In November 2020, the Company launched the Alpha version 0.4 of the Railtown AI Platform, which included additional dashboard integration.

During the three-month period ended December 31, 2020, the Company completed a series of private placements pursuant to which it issued an aggregate of 3,022,000 Common Shares at a price of $0.25 per Common Shares for aggregate gross proceeds of $755,500.

In January 2021, the Company launched the Alpha version 0.5 of the Railtown AI Platform, which included expanded functionality and integrations with Build Server and CI/CD deployment.

On February 5, 2021, Robert Goehring was appointed as a director of the Company.

On March 15, 2021, the Company granted an aggregate of 3,150,000 options under the Stock Option Plan to certain directors, employees and consultants of the Company. The options have an exercise price of $0.25 per share, are exercisable for a five-year period from the date of grant.

In March 2021, the Company launched the Alpha version 0.6 of the Railtown AI Platform, which included expanded functionality with Microsoft Teams and tools for developers and their development teams.

During the three-month period ended March 31, 2021, the Company completed a series of private placements pursuant to which it issued an aggregate of 1,511,424 Common Shares at a price of $0.25 per Common Share for aggregate gross proceeds of $377,856.

On May 4, 2021, Anna-Maria Parente was appointed as a director of the Company and Cory Brandolini was appointed as the Chief Executive Officer of the Company.

On May 13, 2021, the Company granted an aggregate of 1,125,000 options under the Stock Option Plan to certain directors, employees and consultants of the Company. The options have an exercise price of $0.25 per share, are exercisable for a five-year period from the date of grant.

In May 2021, the Company launched the Alpha version 0.7 of the Railtown AI Platform, which included additional dashboard integration.

Intellectual Property

The Company owns 100% of the right, title and interest to the software technology it acquired pursuant to the TTA. In addition, the Company claims common law trademark rights in its corporate name and website. Other than as described above, it does not hold any registered copyright, trademark, patent or other intellectual property right.

Employees

The Company currently has five full-time employees and two part-time employees. Railtown plans to rely on their efforts, as well as those of a number of independent consultants, to manage the Company's operations for the foreseeable future.

USE OF PROCEEDS

Available Funds

As at June 30 2021, the Company had working capital of approximately $500,000. The Company expects to receive net proceeds of approximately $2,690,000 under the Minimum Offering and $4,550,000 under the Maximum Offering (assuming the Agent's Fee is paid in cash and after deducting such amount and the cash portion of the Corporate Finance Fee, but before deducting other expenses of the Offering). The net proceeds of the Offering will be added to the Company's estimated working capital, which will result in approximately $3,190,000 or $5,050,000 in available funds to the Company under the Minimum Offering and Maximum Offering, respectively.

	Assuming Completion of Minimum Offering	**Assuming Completion of Maximum Offering (1)**
Estimated working capital as at June 30, 2021	$500,000	$500,000
Net proceeds of the Offering	$2,690,000 (2)	$4,550,000 (3)
Net Funds Available	$3,190,000	$5,050,000

(1) Assumes that the Over-Allotment Option is not exercised.
(2) Assumes that the Agent's Fee is paid in cash and after deducting such amount and the cash portion of the Corporation Finance Fee (but before deducting other expenses of the Offering).
(3) Assumes that the Agent's Fee is paid in cash and after deducting such amount and the cash portion of the Corporation Finance Fee (but before deducting other expenses of the Offering).

Use of Proceeds

Based upon management's current intentions, the estimated expenditures for which the total available funds will be used in the twelve months after the Closing Date are as follows:

Principal Purpose	**Amount ($)(1)**	**Amount ($)(2)**
Expenses of the Offering	190,000	250,000
Software Development	900,000	900,000

Principal Purpose	Amount ($)(1)	Amount ($)(2)
Sales and Marketing	915,000	1,250,000
Management Fees	235,000	235,000
Benefits and Insurance	85,000	105,000
Equipment	24,000	36,000
Hosting Costs	50,000	50,000
Professional fees (including audit, accounting and legal)	200,000	200,000
Filing and regulatory expenses	80,000	130,000
Office expenses (including rent)	70,000	100,000
Other general and administrative expenses	36,000	36,000
Unallocated working capital	405,000	1,758,000
Total	**3,190,000**	**5,050,000**

(1) Assumes completion of the Minimum Offering.
(2) Assumes completion of the Maximum Offering and that the Over-Allotment Option is not exercised.

The Company intends to spend the available funds as described in the preceding table. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. If such an event occurs, the Company and its management will have broad discretion in the application of available funds. See "*Risk Factors*".

The Company has a limited operating history and may sustain losses in the future. Since its inception, the Company has not generated cash flow from its operations and has incurred operating losses. Such losses and negative operating cash flow are expected to continue since the funds available to the Company will be used to develop its business and pay various administrative expenses. The net proceeds from the Offering will be used to fund the Company's operations in future periods.

If the Over-Allotment Option is exercised, the Company expects to use the additional proceeds for working capital.

Business Objectives and Milestones

The Company's business objectives are to: (i) complete the development and commercialization of the Railtown AI Platform and (ii) initiate sales and marketing efforts with respect to the Railtown AI Platform. The table below summarizes the anticipated milestones, significant events, expected completion date and expected costs of the Company's short-term business objectives.

Business Objective	Milestones	Significant Events	Expected Completion Date	Expected Costs(1)
Development and Commercialization of the Railtown AI Platform	Launch Version 1.0 of the Railtown AI Platform	Develop connectors based on customer feedback and demands; Improve the AI capabilities of the Railtown AI Platform through machine learning; Onboard at least 20 unique project customers who will	September 2021	$100,000

		use the Railtown AI Platform		
	Launch Version 2.0 of the Railtown AI Platform	Advanced log grouping and ticket matching; single sign-on functionality; developer add project functionality; developer add different environment functionality; developer invites other developer functionality; JavaScript programming language functionality; Notification history	October 2021	$80,000
	Launch Version 3.0 of the Railtown AI Platform	Active directory login; add docker for AI models and updates; Java programming language functionality; Python programming language functionality; PagerDuty integration; add SignalR to log processing; local environment notifications	January 2022	$150,000
	Launch Railtown AI Platform for Enterprises	Close partnerships with Microsoft Enterprise re-sellers	April 2022	$100,000
	Launch Version 4.0 of the Railtown AI Platform	Extend PII and Secret detection to tickets; extend AI model to support multiple versions; pipeline to open-source data; integration with additional CI/CD platforms	April 2022	$175,000
	Launch Version 5.0 of the Railtown AI Platform	Visual Basic programming language functionality; C++ programming language functionality; C programming language functionality	July 2022	$175,000
Initiate sales and marketing efforts with respect to the Railtown AI Platform	Commence Sales and Marketing Efforts	Online targeted marketing; online targeted advertising; attend trade shows; engage channel partner resellers; expand in-house sales team	October 2021	$50,000
	Achieve Microsoft Silver Partnership Status	Hire two Microsoft certified software engineers[(2)]	January 2022	N/A
	Achieve Microsoft	Hire two additional Microsoft certified software engineers[(3)];	July 2022	$5,000

	Gold Partnership Status	five customers to verify high standard of delivery		

(1) Expected costs do not include general overhead costs.
(2) Railtown already employs two Microsoft certified software engineers; these individuals are required to renew certification.
(3) Railtown already employs one additional Microsoft certified software engineer; this individual is required to renew certification.

Impact of COVID-19

The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 crises may be material to the Company. The COVID-19 pandemic has not had a negative impact on the Company's business or operations, and the Company does not currently anticipate that the COVID-19 pandemic will have an impact on the Company's business or operations. However, this does not mean that COVID-19 cannot and will not have a negative impact on the Company's business, financial condition and results of operations in the future. It is not presently possible to predict the extent or durations of any such adverse effects. Such adverse effects could be rapid, unexpected and may severely impact the Company's ability to carry out its objectives as outlined herein.

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its inception. While there are no restrictions in its Articles or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, Railtown has limited cash flow and anticipates using all available cash resources to fund its operations. As such, there are no plans to pay dividends for the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the time a determination is made.

SELECT FINANCIAL INFORMATION

The tables below summarize selected financial data for the periods indicated and should be read in conjunction with the Financial Statements, which are included as Schedule "A" to this Prospectus, and the "*Management's Discussion and Analysis*" section of this Prospectus.

Statement of Comprehensive Income (Loss)	**For the six-months ended March 31, 2021 ($)**	**For the year ended September 30, 2020 ($)**	**For the year ended September 30, 2019 ($)**
Revenue	-	-	-
Expenses	(652,844)	433,991	47,235
Other income	-	(1,000,000)	47,420
Net and comprehensive income (loss)	(652,844)	(1,433,991)	185
Basic and diluted earnings (loss) per Common Share	(0.01)	(0.02)	0.00

Statement of Financial Position	**March 31, 2021 ($)**	**September 30, 2020 ($)**	**September 30, 2019 ($)**
Current assets	911,255	259,031	66,128
Total assets	927,634	272,129	66,128
Current and total liabilities	51,937	27,268	15,486

Working capital	859,318	231,763	50,642
Accumulated deficit	(2,351,840)	(1,698,996)	(265,005)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The MD&A is attached to this Prospectus as Schedule "B" and should be read in conjunction with the Financial Statements and the disclosure contained elsewhere in this Prospectus.

DESCRIPTION OF AUTHORIZED SHARE STRUCTURE

Authorized and Issued Share Structure

The authorized share structure of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As of the date of this Prospectus, 70,314,299 Common Shares are issued and outstanding as fully paid and non-assessable and no preferred shares are issued and outstanding.

Common Shares

The holders of Common Shares have no pre-emptive rights to purchase additional Common Shares or other subscription rights. Common Shares carry no conversion rights and are not subject to redemption or to any sinking fund provisions. All Common Shares are entitled to share equally in dividends from sources legally available, when, as and if declared by the Board, and upon the Company's liquidation or dissolution, whether voluntary or involuntary, to share equally in its assets available for distribution to its security holders.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote.

Preferred Shares

The Board has the ability to issue preferred shares from time to time in one or more series. If issued, the preferred shares of each series will rank in parity with the preferred shares of every other series with respect to dividends and return of capital and are entitled to a preference over the Common Shares and any other shares ranking junior to the preferred shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

The Board is empowered to fix the number of shares and the rights to be attached to the preferred shares of each series, including the amount of dividends and any conversion, voting and redemption rights.

Warrants

As of the date of this Prospectus, there are 264,480 Warrants outstanding. All outstanding Warrants were issued to third parties as a "finder's fee" for private placements conducted by the Company on November 30, 2020, December 18, 2020, and January 21, 2021, respectively. Each Warrant entitles the holder thereof to purchase one Common Share at a price of $0.25 per Common Share and is exercisable for 12 months following the date on which the Common Shares are listed for trading on a recognizable stock exchange in Canada.

Options

As of the date of this Prospectus, 4,275,000 options have been granted pursuant to the Stock Option Plan to directors, employees and consultants of the Company. Each option is exercisable into one Common Share at a price of $0.25 per Common Share for a period of five years, subject to certain vesting conditions.

See "*Options to Purchase Securities*" and "*Executive Compensation – Stock Option Plan*" for a description of the material terms of the Options and the Stock Option Plan.

CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the authorized share capitalization of the Company as at the dates specified below.

Description	**Outstanding as at September 30, 2020**	**Outstanding as at March 31, 2021**	**Outstanding as at the date of this Prospectus**	**Outstanding after giving effect to the Minimum Offering [(1)]**	**Outstanding after giving effect to the Maximum Offering [(1)]**
Common Shares	65,780,875	70,314,299	70,314,299	78,439,299[(2)]	83,439,299[(2)]
Preferred Shares	Nil	Nil	Nil	Nil	Nil
Options	Nil	4,275,000	4,275,000	4,275,000	4,275,000
Warrants	Nil	264,480	264,480	264,480	264,480
Agent's Warrants	Nil	Nil	Nil	750,000	1,250,000
Share capital	$1,943,857	$3,011,093	$3,011,093	$6,261,093	$8,261,093

(1) Assumes that the Over-Allotment Option is not exercised and that the Agent's Fee is paid in cash.
(2) Includes the issuance of the Corporate Finance Fee Shares.

As at the date of this Prospectus, the Company has no outstanding loans or other debt obligations.

OPTIONS TO PURCHASE SECURITIES

On October 15, 2020, the Company adopted the Stock Option Plan. As of the date of this Prospectus, 4,275,000 options have been granted pursuant to the Stock Option Plan to directors, employees and consultants of the Company. Each option is exercisable into one Common Share at a price of $0.25 per Common Share for a period of five years, subject to certain vesting conditions.

The following table summarizes those grants as of the date of this Prospectus:

Category	**Number of Options**	**Exercise Price ($)**	**Expiry Date**
Directors (5)	1,250,000	0.25	March 15, 2026
	100,000	0.25	May 13, 2016
Employees (5)	1,750,000	0.25	March 15, 2026
	1,000,000	0.25	May 13, 2026
Consultants (4)	150,000	0.25	March 15, 2026

	25,000	0.25	May 13, 2026

See "*Executive Compensation – Stock Option Plan*" for a detailed description of the Stock Option Plan.

PRIOR SALES

Prior Sales

The following table summarizes the sales of the Company's securities during the 12 months prior to the date of this Prospectus:

Date of Issue	Number and Type of Securities	Issue/Exercise Price per Security ($)	Aggregate Issue Price ($)	Nature of Consideration Received
July 17, 2020	2,350,000 Common Shares	0.10	235,000	Cash
November 30, 2020	2,902,000 Common Shares	0.25	725,500	Cash
November 30, 2020	152,000 Warrants(1)	0.25	N/A	N/A
December 18, 2020	120,000 Common Shares	0.25	30,000	Cash
December 18, 2020	9,600 Warrants(1)	0.25	N/A	N/A
January 12, 2021	1,462,000 Common Shares	0.25	365,500	Cash
January 12, 2021	102,880 Warrants(1)	0.25	N/A	N/A
January 21, 2021	49,424 Common Shares	0.25	12,356	Cash
March 15, 2021	3,150,000 Options	0.25	N/A	N/A
May 13, 2021	1,125,000 Options	0.25	N/A	N/A

(1) Issued as a finder's fee.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Securities

As at the date of this Prospectus, the securities expected to be subject to escrow upon completion of the Offering and listing of the Common Shares on the CSE are shown in the following table:

Designation of Class (1)	Total number of securities held in escrow	Percentage of Class (2)
Common Shares	53,214,841	62.38%
Options	1,350,000	31.57%

(1) Common Shares and any other securities of the Company convertible into Common Shares will be held in escrow and be released over a 36-month period pursuant to an escrow agreement dated [●] (the "**Escrow Agreement**") between certain shareholders of the Company and National Securities Administrators Ltd., as escrow agent. The release of the Escrowed Securities under the Escrow Agreement is as follows: ten percent on the Closing Date and thereafter fifteen percent released every six months over a thirty-six-month period.

(2) Percentages are based on 85,314,299 Common Shares expected to be outstanding upon completion of the Maximum Offering (assuming that the Over-Allotment Option is exercised in full and that the Agent elects to receive the Agent's Fee in cash) and listing on the CSE and 4,275,000 options.

Section 3.5 of NP 46-201 provides that all securities of a company owned or controlled by Principals (as defined in NP 46-201) must be escrowed at the time of the company's initial public offering (which, for the purposes of NP 46-201, includes a distribution by a reporting issuer if no escrow has been previously imposed by a securities regulator or a Canadian exchange on the issuer's principals in connection with its current business), unless the securities held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than one percent of the total issued and outstanding shares of the Company after giving effect to the initial public offering.

Directors, executive officers and certain shareholders of the Company will enter into an Escrow Agreement with the Company pursuant to which the Escrow Shareholders will agree to deposit the securities of the Company which they hold (the "**Escrowed Securities**") National Securities Administrators Ltd., as escrow agent, until they are released in accordance with terms of the Escrow Agreement, CSE policies, NP 46-201 and applicable securities law as follows:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Closing Date	1/10 of the escrowed securities
6 months after the Closing Date	1/6 of the remaining escrowed securities
12 months after the Closing Date	1/5 of the remaining escrowed securities
18 months after the Closing Date	1/4 of the remaining escrowed securities
24 months after the Closing Date	1/3 of the remaining escrowed securities
30 months after the Closing Date	1/2 of the remaining escrowed securities
36 months after the Closing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, the automatic timed release escrow applicable to the Company will result in a 10% release on the Closing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter. The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide for the release of 25% of each Principal's escrowed securities on the Closing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Closing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Closing Date will be released from escrow immediately. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released 18 months from the Closing Date.

As of the date of this Prospectus, the following table sets out information on the number of Common Shares which are expected to be subject to the terms of the Escrow Agreement to be entered into between the Company, National Securities Administrators Ltd. as the depositary, and the following persons, who are collectively referred to as the "**Escrow Holders**":

Escrow Holder	Number of Escrowed Common Shares	Percentage (%) (1)
Kevin O'Neill	7,600,000	10.8
Cory Brandolini	16,720,088	23.8
Paul Woodward (2)	1,144,753	1.6
Marwan Haddad	20,000,000	28.4
Elliot Holtham (3)	7,750,000	11.0
Total	**53,214,841**	**75.6**

(1) Based on 70,314,299 issued and outstanding Common Shares.
(2) Of these Common Shares, 275,391 are held by 0947334 B.C. Ltd., a company controlled by Mr. Woodward and 869,262 are held by Mr. Woodward directly.
(3) Of these Common Shares, 7,500,000 are held by Sultna Capital Ltd., a company controlled by Dr. Holtham and 250,000 are held by Dr. Holtham directly.

Particulars of the Escrow Agreement

A copy of the Escrow Agreement will be available for inspection during regular business hours at the Company's head office at Unit 104, 8337 Eastlake Drive, Burnaby, BC V5A 4W2, and will be available on SEDAR.

In addition, the CSE may impose resale restrictions and escrow requirements on principals and non-principals of a company, which will be addressed in connection with the Company's application to list the Common Shares for trading.

Lock-Up Period

As a condition of closing of the Offering, each of the senior officers, directors and insiders of the Company, holding, in the aggregate: (a) 53,714,841 Common Shares, representing 62.96% of the issued and outstanding Common Shares upon completion of the Maximum Offering amount (assuming the Over-Allotment Option is exercised in full and that the Agent elects to receive the Agent's Fee in cash); and (b) 1,350,000 Options, representing 31.58% of the issued and outstanding Options, will enter into agreements in favour of the Agent pursuant to which each will agree not to, directly or indirectly, sell, or agree to sell (or announce any intention to do so), any Common Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares for a period of 180 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, the only persons who own or control, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares as of the date of this Prospectus are as follows:

Name	Type of Ownership	Number of Common Shares (1)	Percentage Ownership (%) (2)
Marwan Haddad	Beneficially and of record	20,000,000	28.4
Cory Brandolini	Beneficially and of record	16,720,088	23.8
Elliot Holtham (3)	Beneficially and of record	7,750,000	11.0
Kevin O'Neill	Beneficially and of record	7,600,000	10.8

(1) All Common Shares are expected to be subject to escrow on the listing of the Common Shares on the CSE. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".
(2) Based on 70,314,299 issued and outstanding Common Shares.
(3) Of these Common Shares, 7,500,000 are held by Sultna Capital Ltd., a company controlled by Dr. Holtham and 250,000 are held by Dr. Holtham directly.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, province and country of residence, position or offices held with the Company, date appointed, number and percentage of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as at the date of this Prospectus and the occupations held during the past five years:

Name, Province and Country of Residence	**Position or Office held with the Company and the Date Appointed**	**Number and Percentage of Securities Held** (1)	**Direct or Indirect Ownership**	**Principal Occupations Held for Previous Five Years**
Cory Brandolini (2) British Columbia, Canada	Chief Executive Officer (May 4, 2021) President (February 11, 2020), Director (November 1, 2019)	16,720,088 Common Shares (23.8%) 350,000 Options	Direct	Independent business consultant; CEO of RESAAS Services Inc. until April 2017
Paul Woodward British Columbia, Canada	Chief Financial Officer (August 18, 2016), Director (August 18, 2016)	1,144,753 Common Shares (1.6%) (3) 450,000 Options	Direct and Indirect (4)	CFO of Railtown; President and CEO of Railtown until February 2020; President of Conation and CEO of Capital Corp.; President and CEO of Aether Catalyst Solutions, Inc.; President and CEO of Advanced Proteome Therapeutics Corporation
Marwan Haddad British Columbia, Canada	Chief Technology Officer (February 11, 2020), Director (November 1, 2019)	20,000,000 Common Shares (28.4%) 350,000 Options	Direct	CTO of Railtown; CTO of RESAAS Services Inc. until October 2019
Robert Goehring (2) British Columbia, Canada	Director (February 5, 2021)	500,000 Common Shares (0.7%) 100,000 Options	Direct	CEO of Think Technologies Corp.; CEO of Catalyst Ventures Ltd.; CEO of RewardStream Solutions Inc. until August 2018
Anna-Maria Parente (2) British Columbia, Canada	Director (May 4, 2021)	100,000 Options	Direct	VP of Human Resources of SureWerx
Total Common Shares beneficially owned or over which control is exercised by the Company's directors and officers as a group		**38,464,841 Common Shares (54.7%)**		

(1) Based on 70,314,299 issued and outstanding Common Shares.
(2) Member of the audit committee.
(3) Of these Common Shares, 275,491 are held by 0947334 B.C. Ltd., a company controlled by Mr. Woodward and 869,262 are held by Mr. Woodward directly.

(4) 834,488 Common Shares are held by certain family members of Mr. Woodward, but Mr. Woodward does not have control or direction over such Common Shares. Additionally, Conation Capital Corp., a private company of which Mr. Woodward is the President and a director, and Western Corporate Advisory LP, a limited partnership of which Mr. Woodward is a limited partner and a director and officer of the general partner, hold 304,192 Common Shares and 62,500 Common Shares, respectively, but Mr. Woodward does not have control or direction over these Common Shares.

Term of Office of Directors

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board.

Aggregate Ownership of Securities

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control over 38,464,841 Common Shares collectively representing approximately 54.7% of an aggregate of 70,314,299 issued and outstanding Common Shares.

Management

Below is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and experience in the Company's industry.

The directors and officers of the Company intends to dedicate the following percentage of their time to the affairs of the Company: Cory Brandolini - 100%, Paul Woodward - as required, Marwan Haddad - 100%, Robert Goehring - 10% and Anna-Maria Parente - as required.

Each of the Chief Executive Officer/President, Chief Financial Officer and Chief Technology Officer are employees of the Company. None of the persons listed below has entered into a non-competition or non-disclosure agreement with the Company. See "*Directors and Executive Officers – Conflicts of Interest*".

Cory Brandolini (age 61), Chief Executive Officer, President and Director

Cory Brandolini was appointed as a director of the Company on November 1, 2019, as the President of the Company on February 11, 2020 and as the Chief Executive Officer of the Company on May 4, 2021.

Mr. Brandolini has over three decades of experience in the capital markets and as an advisor to disruptive, high growth software companies across many verticals in the technology sector. Over the course of his career, he has helped raise over $150 million for public companies specifically in the technology sector. Mr. Brandolini's background includes two decades spent in the investment industry.

Mr. Brandolini is the founder of RESAAS Services Inc. (TSXV: RSS), an award-winning global real estate cloud platform, where he previously served as CEO and Chairman. Under his direction, RESAAS grew from a start-up to having over 400,000 worldwide subscribers including some of the biggest brands in real estate.

Since departing RESAAS, Mr. Brandolini has continued to provide capital markets and M&A advisory services to a number of technology companies.

Paul Woodward (age 60), Chief Financial Officer and Director

Paul Woodward was appointed as the Chief Financial Officer and a director of the Company on August 18, 2016. He also previously served as the President and Chief Executive Officer of the Company from August 18, 2016 until February 11, 2020.

Mr. Woodward is a former investment banker with over 30 years of experience in capital markets and corporate finance, and an investor in early-stage technology companies. He has acted as the President of Conation Capital Corp., a venture capital investor, since March 2012. Mr. Woodward has been the President and Chief Executive Officer of Advanced Proteome Therapeutics Corporation (TSXV: APC), a biotech company focused on advancing its proprietary protein conjugation technology which enables the development of superior antibody drug conjugates, improved site selective labeling, drug-antibody ratio control, and enabling of combination payloads, since December 2018, while also serving as a director of that company. He is also the President, Chief Executive Officer and a director of Aether Catalyst Solutions, Inc. (CSE: ATHR), a company developing inexpensive catalysts for the abatement of automotive and small motor emissions.

Mr. Woodward is a director of numerous other private companies in which Conation Capital Corp. invests. He holds a Bachelor of Arts degree (Econ.) from Simon Fraser University in Burnaby, British Columbia.

Marwan Haddad (age 47), Chief Technology Officer and Director

Marwan Haddad was appointed as a director of the Company on November 1, 2019, and as the Chief Technology Officer of the Company on February 11, 2020.

Mr. Haddad has over 20 years of software development experience, and has spent more than 10 years leading and building high performance engineering and product development teams.

Mr. Haddad spent eight years as the Chief Technology Officer & VP Engineering for RESAAS Services Inc. (TSXV: RSS). During this time, he transformed its engineering team, culture and intellectual property into a salable technology platform offering a variety of solutions for the real estate industry.

Prior to joining RESAAS, Mr. Haddad worked as a software consultant/solution provider for a number of local and international companies. He has experience setting up teams and building applications/platforms on time and on budget, and during his career has successfully led the development efforts/teams and launched several platforms for Fortune 500 companies.

Mr. Haddad holds a B.Sc. in Electrical Engineering from the University of Jordan in Amman, has completed several advanced MIS courses and is actively involved with UBC computer science/engineering mentor-ship programs.

Robert Goehring (age 47), Director

Robert Goehring was appointed as a director of the Company on February 5, 2021.

Mr. Goehring is a entrepreneur with over 20 years of experience founding and running private and public software and hardware companies in telecom, marketing tech, SaaS and financial services. He is currently the CEO of Think Technologies Corp., a developer of artificial intelligence software solutions and the CEO of Catalyst Ventures Ltd., a consulting firm.

Previously, Mr. Goehring was the CEO of RewardStream Solutions Inc. (now, Balsam Technologies Corp.), a leader in referral and loyalty marketing (acquired by Buyapowa Ltd.) He was also the Chief Marketing Officer of TIO Networks (TNC.V acquired by PayPal) and the co-founder of Contigo Systems, an award-winning telematics company (acquired by Vecima Networks).

Mr. Goehring has an MBA from Simon Fraser University in Marketing and MIS, is an advisor to technology growth companies, and speaks on marketing technology trends. Rob is also the founding director of the AI Chief Executive Council for the BC Technology Industry Association.

Anna-Maria Parente (age 53), Director

Anna-Maria Parente was appointed as a director of the Company on May 4, 2021.

Ms. Parente is the VP of Human Resources, Global for Jet Equipment & Tools Ltd. (dba SureWerx), a supplier of professional safety products, tools and equipment. SureWerx offers access to its brands through its partner distributor network servicing the industrial, construction, safety, and automotive aftermarket markets globally. Ms. Parente joined SureWerx in 2005 after over a decade with PricewatehouseCoopers.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises, any director in a conflict will disclose his interest and abstain from voting on such matter at a meeting of the Board.

Other than as disclosed in this Prospectus, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

No existing or proposed director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Company, that:

(i) was subject to an order that was issued while the director or executive officer was acting in the capacity of a director, the chief executive officer or the chief financial officer thereof; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, the chief executive officer or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

No existing or proposed director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the 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) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No existing or proposed director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement with a provincial and territorial securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

EXECUTIVE COMPENSATION

For the purpose of this Prospectus:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries; and

"**named executive officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102FV6 *Statement of Executive Compensation – Venture Issuers*, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Table of Compensation Excluding Compensation Securities

Name and Position	**Period Ended September 30**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Perquisites ($)**	**Value of All Other Compen-sation ($)**	**Total Compen-sation ($)**
Cory Brandolini [(1)] *President, Director*	2020	43,530	Nil	Nil	Nil	Nil	43,530
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Table of Compensation Excluding Compensation Securities							
Name and Position	**Period Ended September 30**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Perquisites ($)**	**Value of All Other Compen-sation ($)**	**Total Compen -sation ($)**
Paul Woodward (2) *CFO, Director, Former President, Former CEO*	2020	43,530	Nil	Nil	Nil	Nil	43,530
	2019	12,350(3)	Nil	Nil	Nil	Nil	12,350
Marwan Haddad (4) *CTO, Director*	2020	121,371	Nil	Nil	Nil	Nil	121,371
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Goehring (5) *Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Anna-Maria Parente (6) *Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Kevin O'Neill (7) *Former Chairman and Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jane Woodward (8) *Former Secretary*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Glenn Kerr (9) *Former Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	3,000	Nil	Nil	Nil	Nil	3,000
Martin Woodward (10) *Former Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
William Benjamin Catalano (11) *Former Director*	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Brandolini was appointed as the President of the Company on February 11, 2020, and a director of the Company on November 1, 2019.
(2) Mr. Woodward was appointed as the President, Chief Executive Officer, Chief Financial Officer and a director of the Company on August 18, 2016. On February 11, 2020, he resigned as the President and Chief Executive Officer.
(3) Consists of consulting fees paid to a company in which Mr. Woodward is the principal shareholder.
(4) Mr. Haddad was appointed as the Chief Technology Officer of the Company on February 11, 2020, and a director of the Company on November 1, 2019.
(5) Mr. Goehring was appointed as a director of the Company on February 5, 2021.
(6) Ms. Parente was appointed as a director of the Company of May 4, 2021.
(7) Mr. O'Neill was appointed as the Chairman and a director of the Company on January 24, 2020 and resigned on February 5, 2021.
(8) Ms. Woodward resigned as the Secretary of the Company on August 14, 2019.
(9) Mr. Kerr resigned as a director of the Company on January 24, 2020.
(10) Mr. Woodward resigned as a director of the Company on November 1, 2019.
(11) Mr. Catalano resigned as a director of the Company on November 1, 2019.

Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any NEO or director in the most recently completed financial period for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No NEO or director exercised any compensation securities during the Company's most recently completed financial period, as no such securities were outstanding at either the beginning or the end of such period.

Stock Option Plan

<u>Stock Option Plan</u>

General

On October 15, 2020, the Board adopted the Stock Option Plan.

The Stock Option Plan provides for awards of incentive stock options. Subject to the provisions of the Stock Option Plan relating to adjustments upon changes in the Common Shares, the number of Common Shares reserved for issuance pursuant to the exercise of options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the date of grant of any options. As of the date of this Prospectus, options to purchase 4,275,000 Common Shares are outstanding under the Stock Option Plan.

Purpose

The Board adopted the Stock Option Plan to advance the interests of the Company by encouraging the directors, officers and employees of, and consultants retained by, the Company or any of its subsidiaries or affiliates to acquire Common Shares, thereby: (i) increasing the proprietary interests of such persons in the Company; (ii) aligning the interests of such persons with the interests of the Company's shareholders generally; (iii) encouraging such persons to remain associated with the Company or any of its subsidiaries or affiliates; and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Company or any of its subsidiaries or affiliates.

Administration

Unless it delegates administration to a committee, the Board administers the Stock Option Plan. Subject to the provisions of the Stock Option Plan, the Board has the power to, in its discretion: (a) grant options to eligible persons; (b) determine the terms, limitations, restrictions and conditions respecting such grants; (c) interpret the Stock Option Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Stock Option Plan as it shall from time to time deem advisable; and (d) make all other determinations and take all other actions in connection with the implementation and administration of the Stock Option Plan.

Eligibility

Incentive stock options may be granted under the Stock Option Plan only to officers, directors, employees and eligible consultants of the Company and its subsidiaries or affiliates, and members of any advisory board of the Company.

Terms of Options

The Board shall, at the time an option is granted under the Stock Option Plan, fix the exercise price at which Common Shares may be acquired upon the exercise of such option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange on which the Common Shares are listed.

The Board may, in its absolute discretion, upon granting options specify a particular time period or periods following the date of grant during which an optionee may exercise the options and may designate the exercise price and the number of Common Shares in respect of which such optionee may exercise the options during each such time period.

If a director, officer, employee or consultant who has been granted options ceases to act as such for any reason other than death, such director, officer, employee or consultant shall have the right to exercise any vested options not exercised prior to such termination within a period of 60 days after the date of termination, or such shorter period as may be set out in the optionee's option agreement.

Effect of Certain Corporate Events

The Board has the power, in the event of a Change of Control (as defined in the Stock Option Plan) to make such arrangements as it deems appropriate for the exercise of outstanding options or the continuance of outstanding options, including to accelerate and amend any stock option agreement to permit the exercise of any or all of the remaining options prior to the completion of any such transaction. If the Board exercises such power, the option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time to time as determined by the Board prior to the completion of such transaction.

Duration, Amendment and Termination

The Board may suspend or terminate the Stock Option Plan without shareholder approval or ratification, subject to certain restrictions, at any time or from time to time to comply with applicable laws or regulations or the requirements of any stock exchange on which the Common Shares are listed.

The Board may also amend the Stock Option Plan at any time, and from time to time, subject to the approval of any stock exchange on which the Common Shares are listed or any relevant regulatory authority. The Board may submit any other amendment to the Stock Option Plan for shareholder approval in its discretion.

The Stock Option Plan remains subject to acceptance and approval by any stock exchange, including the CSE, on which the Common Shares are listed.

Grants to Persons Providing Investor Relations Services

The total number of options that may be granted to all persons retained by the Company to provide investor relations activities will not exceed 2% of the issued and outstanding Common Shares of the Company, in any twelve-month period, calculated at the date of grant. Options granted to persons retained to provide investor relations activities will vest in stages over not less than twelve months with no more than one quarter of the options vesting in any three-month period.

Employment, Consulting and Management Agreements

Railtown has not entered into written management or consulting agreements with any of its executive officers. However, it currently pays $5,000 per month to each of its President and Chief Financial Officer and $12,500 per month to its Chief Technology Officer in the form of consulting fees pursuant to oral agreements.

Other than as described above, the Company has not entered into any employment agreements, other agreements or arrangements under which compensation was provided during Railtown's most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries.

Oversight and Description of Director and Named Executive Officer Compensation

The Board is responsible for determining, by way of discussions at Board meetings, the compensation to be paid to the Company's executive officers and directors. Railtown does not currently have a formal compensation program with specific performance goals or similar conditions; however, the performance of each individual is considered along with the Company's ability to pay compensation and its results of operation for the period. The Company does not use any benchmarking in determining compensation or any element of compensation.

Any compensation paid to Railtown's named executive officers is dependent upon the Company's finances as well as the performance of each of the NEOs.

The Company's compensation program for all of its employees, including executive officers, consists of long-term incentive compensation comprised of share options and base salaries. This program is designed to achieve the following key objectives:

- to support the Company's overall business strategy and objectives;
- to provide market-competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and the retention of highly skilled and talented employees; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

The value of this program is used as a basis for assessing the overall competitiveness of the Company's compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance-based, or "at risk" compensation, is designed to encourage both short-term and long-term performance by employees. At more senior levels, a significant portion of compensation eligible to be paid is variable performance-based compensation which places a greater emphasis on rewarding employees for their individual contributions, the business results of the Company and creating long-term value for shareholders.

At present, the Board does not evaluate the implications of the risks associated with the Company's current compensation policies and practices as Railtown is still developing its business and management is focusing their time and attention on operations.

The Company does not have a compensation committee or any formal compensation policies at this time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No director or officer of the Company, or any associate or affiliate of such person is or has ever been indebted to the Company; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not executive officers, control persons or employees of the Company or an affiliate of the Company. The members of the Company's audit committee are Robert Goehring (Chair), Cory Brandolini and Anna-Maria Parente. The audit committee is responsible for overseeing the Company's financial reporting process on behalf of the Board, including overseeing the work of the independent auditors who report directly to the audit committee.

The specific responsibilities of the audit committee, among others, include:

(i) evaluating the performance and assessing the qualifications of the independent directors and recommending to the Board and the shareholders the appointment of the Company's external auditor;

(ii) determining and approving the engagement of and compensation for audit and non-audit services of the Company's external auditor;

(iii) reviewing the Company's financial statements and management's discussion and analysis of financial condition and results of operations and recommending to the Board whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board;

(iv) conferring with the Company's external auditor and with management regarding the scope, adequacy and effectiveness of internal financial reporting controls;

(v) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding its accounting controls, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters; and

(vi) reviewing and discussing with management and the independent auditor, as appropriate, the Company's guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure and investment and hedging policies and the steps taken by management to monitor and control the Company's exposure to such risks.

Audit Committee Charter

The audit committee charter of the Company is attached to this Prospectus as Schedule "C".

Composition of Audit Committee and Independence

Generally, NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with a company, which could, in the view of that company's board of directors, reasonably interfere with the exercise of the member's independent judgment. Section 6.1 of NI 52-110 provides an exemption related to Parts 3 (*Composition of Audit Committee*) for venture issuers. A "venture issuer" as defined in NI 52-110 means an issuer that, at the end of its most recently completed financial year, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. The Company meets the venture issuer definition and is therefore required to have an audit committee comprised of not less than three directors, a majority of whom are not executive officers, control persons or employees of the Company or an affiliate of the Company. The Company's audit committee meets this requirement.

Relevant Education and Experience

NI 52-110 provides that an individual is "financially literate" if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of Railtown's audit committee are financially literate.

Each member of the Company's audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of those principles in connection with accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Robert Goehring (Chair)

Mr. Goehring is currently a director of two public companies, one with its common shares listed for trading on the TSXV and another with its common shares listed for trading on the CSE. In addition, Mr. Goehring is the Chief Executive Officer of a private company currently engaged in a qualifying transaction with a capital pool company with its common shares listed for trading on the TSXV, and was previously an executive officer and director of a number of other public companies.

Cory Brandolini

Mr. Brandolini is an experienced entrepreneur who, over the course of his career, has consistently reviewed and analyzed financial statements for various purposes. He previously served as the President and Chief Executive Officer of a company with its shares listed for trading on the CSE and TSXV and is well-versed in Canadian public company financial reporting requirements.

Anna-Maria Parente

Ms. Parente is an experienced professional that holds a Business Administration and Financial Management diploma from Capilano College. Prior to joining SureWerx in 2005, Ms. Parente spent over a decade with PricewaterhouseCoopers.

Audit Committee Oversight

The audit committee was created by the Board on September 21, 2011. Since the commencement of the Company's most recently completed fiscal year, the audit committee did not make a recommendation concerning the nomination or compensation of the Company's external auditor that was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on any exemption referenced in Section 5 of Form 52-110F2 *Disclosure by Venture Issuers*.

Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The table below sets out the audit fees incurred by the Company for the fiscal years ended September 30, 2020 and 2019.

	Year Ended September 30, 2020 ($)	**Year Ended September 30, 2019 ($)**
Audit Fees (1)	9,500	7,500
Audit Related Fees (2)	Nil	Nil
Tax Fees (3)	2,500	1,000
All other fees (4)	Nil	Nil
Total	**12,000**	**8,500**

(1) Aggregate fees billed by the Company's auditor for audit services.
(2) Aggregate fees billed by the Company's auditor for audit related services.
(3) Aggregate fees billed by the Company's auditor for professional services rendered for tax compliance, tax advice and tax planning.
(4) Aggregate fees billed by the Company's auditor and not included above.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company.

Pursuant to NI 58-101 the Company is required to disclose its corporate governance practices, as summarized below. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

NP 58-201 establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

As of the date of this Prospectus, the Board consists of five directors: Cory Brandolini, Paul Woodward, Marwan Haddad, Robert Goehring and Anna-Maria Parente.

NP 58-201 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Robert Goehring and Anna-Maria Parente are considered to be "independent" within the meaning of NI 58-101. Each of the other directors, by virtue of holding an executive officer position (Cory Brandolini – Chief Executive Officer and President, Paul Woodward – Chief Financial Officer, Marwan Haddad – Chief Technology Officer), is considered to be "non-independent".

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Paul Woodward	Advanced Proteome Therapeutics Corporation	TSXV
	Aether Catalyst Solutions, Inc.	CSE
Robert Goehring	Bexar Ventures Inc.	CSE

Orientation and Continuing Education

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors are encouraged to review the Company's public disclosure record as filed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board is considering implementing a written code of ethical conduct for its directors, officers and employees, but has not yet had established or adopted such a code.

The Board is required to comply with the conflict of interest provisions of relevant corporate and securities legislation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Since the Company is a British Columbia corporation, any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest. See "*Directors and Executive Officers - Conflicts of Interest*" and "*Risk Factors*".

Nomination of Directors

The Company's management is in contact with individuals involved in the artificial intelligence sector and the technology industry more generally. From these sources, management has developed a number of relationships and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Compensation

The Board as a whole is responsible for determining the compensation of the Company's Chief Executive Officer and Chief Financial Officer and does so with reference to industry standards and the financial situation of the Company. The Board has the sole responsibility for determining the compensation of the directors of the Company. As of the date of this Prospectus, directors are not compensated for their services.

Given the Company's size, limited operating history and lack of revenues, the Board does not plan to form a compensation committee to monitor and review the salary and benefits of the executive officers of the Company at the present time. The Board will carry out these functions until such time as it deems the formation of a compensation committee is warranted.

Other Board Committees

Other than the audit committee, there are currently no committees of the Board.

Assessments

Neither the Company nor the Board has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Company has appointed the Agent to act as its agent to offer for sale to the public, on a "commercially reasonable efforts" basis, without underwriter liability, up to 12,500,000 Offered Shares at the Offering Price as provided in this Prospectus if, as and when issued by the Company and accepted by the Agent in accordance with the terms of the Agency Agreement, for gross proceeds of a minimum of $3,000,000 and a maximum of $5,000,000, subject to compliance with all necessary legal requirements and to the conditions of the Agency Agreement.

The obligations of the Agent under the Agency Agreement are conditional and may be terminated on the basis of their assessments of the state of the financial markets, and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events, including industry standard "market out", "material adverse change", "disaster out", "breach out", "diligence out" and "regulatory proceedings out" provisions. While the Agent has agreed to use its "commercially reasonable efforts" to sell the Offered Securities, the Agent is not obligated to purchase any Offered Securities not sold.

Under the Agency Agreement, the Company has agreed to indemnify and save harmless the Agent, its affiliates, directors, officers, employees, partners, agents, and shareholders against certain liabilities, including civil liabilities under the Canadian provincial securities legislation, and to contribute to any payments the Agent may be required to make in respect thereof.

Subscriptions for the Offered Securities will be received subject to rejection or allotment in whole or in part and the Agent reserves the right to close the subscription books at any time without notice provided the Agent has received subscriptions in aggregate equal to the Minimum Offering. All subscription funds received by the Agent will be held in trust, pending the closing of the Offering. If subscriptions representing the Minimum Offering have not been received, or if the Offering has not otherwise closed, on or before ninety days from the issuance of a receipt for the final prospectus, the Offering will be discontinued and all subscription monies will be returned to purchasers by the Agent without interest or deduction, unless the purchasers have otherwise instructed the Agent.

The Company intends to apply to list the Common Shares on the CSE. Listing will be subject to the Company fulfilling all the initial listing requirements of the CSE, including distribution of the Common Shares to a minimum number of public holders.

In connection with the Offering and subject to applicable laws, the Agent may effect transactions that stabilize or maintain the market price of the Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Agent may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the CSE, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. As a result of these activities, the price of the Offered Securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Agent at any time. The Agent may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

The Agent may form a selling group with other registered investment dealers to market a portion of the Offering. Any fees payable to members of such selling group will be paid by the Agent out of the Agent's Fee.

The Company has granted the Agent the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Agent at any time up to 48 hours prior to the Closing Date, to purchase up to an aggregate number of Additional Shares as is equal to 15% of the aggregate number of Offered Shares issued pursuant to the Offering at a price equal to the Offering Price to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Agent's Fee (assuming the Agent elects to receive such fee in cash) and the cash portion of the Corporation Finance Fee, and net proceeds to the Company (before payment of the expenses of the Offering) will be $5,750,000, $502,500 and $5,247,500, respectively. A purchaser who acquires Offered Securities forming part of the Agent's over-allocation position acquires those Offered Securities under this Prospectus, regardless of whether the Agent's over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Company has agreed not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of (or agree to or publicly announce any intention to do any of the foregoing) any additional Common Shares or any securities convertible or exchangeable into Common Shares, other than: (i) pursuant to the Offering, (ii) pursuant to the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements, (iii) the issuance of Common Shares upon the exercise of convertible securities, warrants, options or obligations outstanding prior to the date of the Closing Date, or (iv) in connection with a previously scheduled property acquisition transaction or other corporate acquisitions by the Company, for a period ending 90 days from the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed.

As a condition of closing of the Offering, each of the senior officers and directors of the Company will enter into agreements in favour of the Agent pursuant to which each will agree not to, directly or indirectly, sell, or agree to sell (or announce any intention to do so), any Common Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares for a period of 180 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

If the Company does not complete the Offering, but the Company completes: (i) any debt or equity financing transaction (excluding a bank loan from commercial bank or other similar lenders including equipment financing transactions); or (ii) a business transaction which involves a change in control of the Company (including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Company, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, but excluding an issuance of securities pursuant to the exercise of securities of the Company outstanding on [●] or in connection with a bona fide debt settlement or acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities, or financial in nature)), prior to the date that is twelve months after the termination of the Agency Agreement (any such transaction, an "**Alternative Transaction**"), the Company shall pay to the Agent promptly upon closing the Alternative Transaction a fee equal to the maximum amount of fees otherwise payable under the Agency Agreement calculated on the basis of the maximum offering of securities proposed under the Offering.

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

The Offering is being made in the provinces of British Columbia, Alberta, and Ontario. The Offered Securities will be offered in the provinces of British Columbia, Alberta, and Ontario through the Agent or its affiliates who are registered to offer the Offered Securities for sale in such provinces and such other registered dealers as may be designated by the Agent. Subject to applicable law, the Agent may offer the Offered Securities outside of Canada.

United States

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. Persons. The Offered Securities being issued in the Offering have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Agent has agreed that it (or such U.S. broker-dealer affiliates of the Agent that conducts offers and sales in the United States on the Company's behalf) will not offer or sell the Offered Securities on the Company's behalf within the United States or to, or for the account or benefit of, U.S. Persons, except in accordance with the Agency Agreement. The Agency Agreement provides that offers and sales of the Offered Securities may be made in the United States or to U.S. Persons only pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. In particular, the Agency Agreement provides that the Agent, through its U.S. broker-dealer affiliate(s) may offer and sell the Offered Securities on the Company's behalf within the United States or to U.S. Persons only to investors which are "accredited investors", as defined in Rule 501(a) of Regulation D of the U.S. Securities Act or "accredited investors" who are also "qualified institutional buyers", as defined in Rule 144A under the 1933 Act.

Certificates

Other than in respect of the Offered Securities sold to certain purchasers in the United States and to, or for the account or benefit of, certain U.S. Persons or certain persons in the United States, which will be represented by individual certificates, and other than pursuant to certain exceptions, it is expected that one or more global certificates for the Offered Securities distributed by this Prospectus will be issued in registered and definitive form to CDS and will be deposited with CDS on the Closing Date. Purchasers of the Offered Securities will receive only a customer confirmation from the registered dealer from or through whom the Offered Securities are purchased.

Pricing of the Offering

The Offering Price was determined based upon arm's length negotiations between the Company and the Agent. Among the factors considered in determining the Offering Price were the following: prevailing market conditions; historical performance and capital structure of the Company; estimates of the business potential and earnings prospects of the Company; availability of comparable investments; an overall assessment of management of the Company; and the consideration of these factors in relation to market valuation of companies in related businesses.

Commission and Expenses

The Company has agreed to pay to the Agent the Agent's Fee which is equal to 7% of the gross proceeds of the Offering (including upon any exercise of the Over-Allotment Option), payable in cash or Common Shares or any combination thereof, all at the option of the Agent.

As additional compensation, the Company has also agreed to issue to the Agent the Agent's Warrants on the Closing Date. The Agent's Warrants will entitle the Agent to purchase such number of Agent's Warrant Shares equal to 10% of the total number of Offered Shares sold under the Offering (including upon any exercise of the Over-Allotment Option), at a price per Agent's Warrant Share equal to the Offering Price, for a period of twelve months following the Closing Date.

The Company has also agreed to pay to the Agent the Corporate Finance Fee, comprised of $100,000 payable in cash and 625,000 Corporate Finance Fee Shares, at a deemed price equal to the Offering Price.

Notwithstanding the foregoing, the aggregate number of Common Shares or other securities of the Company that may be issued to the Agent as compensation in connection with the Offering (including securities issued in satisfaction of all or a part of the Agent's Fee and the Corporate Finance Fee) may not exceed the amount prescribed by Section 11.2 of NI 41-101.

Subject to Section 11.2 of NI 41-101, this Prospectus qualifies the distribution of any Common Shares issued as payment of the Agent's Fee, the Corporate Finance Fee Shares and the grant of the Agent's Warrants.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel for the Company, based on the provisions of the Tax Act and the regulations thereunder in force on the date hereof and any proposals to amend the Tax Act or regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof, the Offered Securities will, at a particular time, be a “qualified investment” under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax-free savings account ("**TFSA**") (collectively, "**Registered Plans**") or deferred profit sharing plan ("**DPSP**"), provided that at such particular time, (i) the Offered Securities are listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the CSE), or (ii) the Company qualifies as a "public corporation" for purposes of the Tax Act.

The Offered Securities are not currently listed on a “designated stock exchange” and the Company is not currently a “public corporation”, as those terms are defined in the Tax Act. The Company intends to apply to the CSE to have the Common Shares listed on the CSE as of the day before the Closing Date - which, if required by the CSE, may be followed by an immediate halt in trading of the Common Shares in order to allow the Company to satisfy the conditions of the CSE - and to have the Offered Securities listed and posted for trading at the time of their issuance on the closing of the Offering. The Company must rely on the CSE to list the Common Shares on the CSE and to have them posted for trading prior to the issuance of the Offered Securities on the closing of the Offering and to otherwise proceed in such manner as may be required to result in the Offered Securities being listed on the CSE at the time of their issuance on the closing of the Offering, and no tax ruling or legal opinion has been sought or obtained in this regard. There can be no guarantee that CSE approval of a listing will be granted or will be in a form that is, or is acceptable to the CRA as, a full and unconditional listing sufficient for "qualified investment" status under the Tax Act for purposes of a Registered Plan or DPSP at a relevant time. If the Offered Securities are not listed on the CSE at the time of their issuance on the closing of the Offering and the Company is not a “public corporation” at that time, the Offered Securities may not be qualified investments for a Registered Plan or a DPSP at that time. **Purchasers who intend to hold Offered Securities in a Registered Plan or a DPSP should consult their own tax advisors in regard to the application of the Tax Act in their particular circumstances.**

Notwithstanding that the Offered Securities may be qualified investments under the Tax Act for Registered Plans as described above, the holder of, or annuitant or subscriber under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of the Offered Securities held in a Registered Plan if such Offered Securities are a “prohibited investment” for the particular Registered Plan. The Offered Securities generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length (within the meaning of the Tax Act) with the Company or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Company. Notwithstanding the foregoing, the Offered Securities generally will not be a "prohibited investment" for a Registered Plan if the Offered Securities are "excluded property" as defined in subsection 207.01(1) of the Tax Act for a Registered Plan. **Prospective investors who intend to invest through a Registered Plan should consult their own tax advisors as to whether the Offered Securities would be a "prohibited investment" in their particular circumstances.**

Holders who intend to acquire or hold Offered Securities within a Registered Plan or DPSP should consult their own tax advisors in advance with regard to the application of these rules in their particular circumstances.

RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

Risks Related to the Company's Business

History of Operating Losses

The Company has a history of operating losses and may not achieve or sustain profitability. The Company cannot guarantee investors that it will become profitable, and even if it achieves profitability, given the competitive and evolving nature of the industry in which the Company operates, it may be unable to sustain or increase profitability.

Dependence on the Operation of Computer Network Systems

The Company's ability to provide reliable service to potential customers depends on the efficient and uninterrupted operation of its computer network systems as well as those of its partners. Railtown's business is expected to involve the management of large amounts of data, and the Company's success therefore depends on the efficient and error-free handling of the information that is collected in connection with the provision of its products and services. Railtown currently relies on the ability of its employees, systems and processes, and those of its business partners, to process transactions in an efficient, uninterrupted and error-free manner. Their failure to do so could materially and adversely impact the Company's operating revenues and results of operations.

The Company's systems are susceptible to outages and interruptions due to fire, natural disaster, power loss, telecommunications failures, software or hardware defects, terrorist attacks and similar events. The

Company uses both internally developed and third-party systems, including cloud computing and storage systems, for its services. Any damage to, or failure of, Railtown's processes or systems generally, or those of its partners, could result in interruptions in the Company's services, causing customers and other partners to become dissatisfied with its products and services or obligate Railtown to issue credits or pay fines or other penalties to them. Sustained or repeated process or system failures could also reduce the attractiveness of its products and services.

Technology Risks

The Company's products and services are dependent upon advanced technologies which are susceptible to rapid technological change. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, some of the Company's products are currently under development and there can be no assurance that these development efforts will result in a viable product as conceived by the Company or at all. There is a risk that similar products could reach the market prior to Railtown's AI Platform, or that similar products may be developed after the platform is released that include features more appealing to any potential Railtown partners, or use advanced technology not used by the platform. The occurrence of any of these events could decrease the amount of customer interest in the platform and prevent the Company from generating revenues or reduce the revenue generating potential of its products.

Market Acceptance

If the market for the Railtown AI Platform fails to develop, develops more slowly than expected or becomes subject to increased competition, the Company's business may suffer. As a result, the Company may be unable to successfully market the Railtown AI Platform. If the Railtown AI Platform is not accepted by customers or by businesses in the marketplace, the Company's business, operating results and financial condition will be materially adversely affected and you could lose your entire investment.

Software Errors or Defects

Software such as that of the Company often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Company’s platform may contain errors or defects, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to the Company’s reputation and brand, any of which could have an adverse effect on its business, financial condition and results of operations.

Since the Company’s customers will use its services for processes that are critical to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in the Company’s platform could result in losses to customers. The Company’s customers may seek significant compensation from the Company for any losses they suffer or cease conducting business with the Company altogether. Further, a customer could share information about bad experiences, which could result in damage to the Company’s reputation and loss of future sales. There can be no assurance that provisions included in agreements with customers that attempt to limit the Company’s exposure to claims would be enforceable or adequate or would otherwise protect it from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against the Company by any of its customers would likely be time-consuming and costly to defend and could seriously damage the Company’s reputation and brand, making it harder to sell the Company’s products.

Effective Operating and Scaling of Technology

The Company's ability to provide products and services to customers is dependent on its information technology systems. If Railtown is unable to manage and scale the technology associated with its business effectively, the Company could experience increased costs, reductions in system availability and losses of network participants.

Security and Fraud Issues

The Company's operations involve the storage and transmission of customer data, including personally identifiable information. The Company also operates in an industry that is prone to cyber-attacks. Failure to prevent or mitigate security breaches and improper access to or disclosure of data or customer data, could result in the loss or misuse of such data, which could harm the Company's business and reputation. The security measures the Company has integrated into its internal networks and platform, which are designed to prevent or minimize security breaches, may not function as expected or may not be sufficient to protect the Company's internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently. As a result, the Company may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a security breach were to occur, as a result of third-party action, employee error, breakdown of the Company's internal security processes and procedures, malfeasance or otherwise, and the confidentiality, integrity or availability of customers' data were disrupted, the Company could incur significant liability to its customers, and the Company's platform may be perceived as less desirable, which could negatively affect its business and damage its reputation.

The Company's platform may be subject to distributed denial of service attacks ("**DDoS**"), a technique used by hackers to take an internet service offline by overloading its servers, and the Company cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. In addition, computer malware, viruses, and hacking and phishing attacks by third parties are prevalent in the industry in which the Company operates.

Moreover, the Company's platform could be breached if vulnerabilities in its platform or third-party applications are exploited by unauthorized third parties or due to employee error, breakdown of the Company's internal security processes and procedures, malfeasance, or otherwise. Further, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information or otherwise compromise the security of internal networks and electronic systems in order to gain access to data or customers' data. Since techniques used to obtain unauthorized access change frequently and the size and severity of DDoS attacks and security breaches are increasing, the Company may be unable to implement adequate preventative measures or stop DDoS attacks or security breaches while they are occurring.

Any actual or perceived DDoS attack or security breach could damage the Company's reputation and brand, expose the Company to a risk of litigation and possible liability and require the Company to expend significant capital and other resources to respond to and/or alleviate problems caused by the DDoS attack or security breach. Some jurisdictions have enacted laws requiring companies to notify individuals and authorities of data security breaches involving certain types of personal or other data and agreements with customers and partners may require the Company to notify them in the event of a security incident. Any of these events could harm the Company's reputation or subject it to significant liability, and materially and adversely affect its business and financial results.

Integration with Other Systems

The Company is dependent on the ability of the Company's products and services to integrate with a variety of operating systems, software, hardware, networks and web browsers that the Company does not control. Any changes in these systems or networks that degrade the functionality of the Company's products and services, impose additional costs or requirements on the Company or give preferential treatment to competitive services could materially and adversely affect usage of the Company's products and services. Given the nature of the Company's business and the pace of technological change, the Company may be unsuccessful in attempting to keep up with changing systems or the cost of doing so could be prohibitive, either of which could materially adversely affect the Company's business and operations. In the event that it is difficult for the Company's customers to access and use the Company's products and services, the Company's business may be materially and adversely affected.

Attracting and Retaining Key Personnel

There can be no assurance that the Company will be able to recruit and retain employees that are required to successfully execute its business plan. If we are unable to recruit and retain appropriate personnel, the Company's ability to execute its business plan will be severely constrained. In addition, the loss of any key employees, including any of the members of our management team, could have a material adverse effect on the Company's business, financial condition and operating results.

Government Regulations

The Company operates in a regulated environment, and the failure by Railtown to comply with the laws and regulations to it is subject could negatively impact the Company's business. The Company is subject to a wide range of laws and regulations; in particular, its products and services are subject to legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data.

Many of these laws and regulations are evolving, can be unclear and inconsistent across various jurisdictions, and ensuring compliance with them is difficult and costly. The failure by Railtown or any of its partners to comply with the laws and regulations to which they are or may become subject could result in fines, penalties or limitations on the Company's ability to conduct its business, or court actions, any of which could significantly harm Railtown's reputation with consumers and regulators.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The future growth and profitability of the Company will depend to some extent on the effectiveness and efficiency of advertising and promotional expenditures, including the ability of the Company to (i) create greater awareness of its products and services; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that these expenditures will result in revenues in the future or will generate awareness of the Company's products or services. In addition, no assurance can be given that the Company will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Acquisition and Investment Risks

The Company expects to acquire other businesses and technologies in the future. The process of integrating an acquired business, product, service or technology can involve a number of special risks and challenges, including:

- increased regulatory and compliance requirements;
- implementing or remediating controls, procedures and policies of the acquired company;
- diverting management's time and focus from the operation of our then-existing business;
- integrating and coordinating product, sales, marketing, program and systems management functions;
- transitioning the acquired company's users and customers onto the Company's systems;
- integrating the acquired company's accounting, information management, human resource and other administrative systems and operations generally;
- integrating employees from the acquired company into the Company;
- terminating or losing employees, including costs associated with the termination or replacement of those employees;
- liability for activities of the acquired company prior to the acquisition, including violations of law, commercial disputes, and tax and other known and unknown liabilities; and

- increased litigation or other claims in connection with the acquired company, including claims brought by terminated employees, customers, former investors or other third parties.

If the Company is unable to successfully integrate an acquired business or technology or otherwise address these special risks and challenges or other problems encountered in connection with an acquisition, it might not realize the anticipated benefits of that acquisition, may incur unanticipated liabilities or may otherwise suffer harm to its business generally. In addition, to the extent that Railtown pays the consideration for any future acquisitions or investments in cash it would reduce the amount of cash available to the Company for other purposes, and future acquisitions or investments could result in dilutive issuances of our equity securities or the incurrence of debt, contingent liabilities, amortization expenses, or goodwill impairment charges.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the financial position and operations of the Company.

Dependence on Key Personnel and Relationships

The Company's success heavily depends on the continued service of its executive officers and directors. Although the Company plans to increase the size of its Board, appoint additional officers, engage various consultants and enter into relationships with strategic partners as its business grows, if its current directors, officers or partners are unable or unwilling to continue to work for or with the Company in their present capacities, the Company may have to spend a considerable amount of time and resources searching, recruiting and integrating one or more replacements into its operations, which would severely disrupt its business. This may also adversely affect the Company's ability to execute its business strategy.

Management of Growth

The Company's success depends to a significant degree upon its ability to attract, retain and motivate skilled and qualified personnel. As it becomes a more mature company in the future, it may find recruiting and retention efforts more challenging. If the Company does not succeed in attracting, hiring and integrating such personnel, or retaining and motivating existing personnel, it may be unable to grow effectively. The loss of any key employee, including members of its management team, and its inability to attract highly skilled personnel with sufficient experience in the Company's industry could harm its business.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in other ventures in the technology industry through their direct and indirect participation in corporations, partnerships, joint ventures and other entities that may become potential competitors of the Company. Other than as described in this Prospectus, the Company has also not entered into non-competition or non-disclosure agreements with any of its directors or officers that could restrict such persons from forming competing businesses or disclosing confidential information about the Company to third parties. Situations may therefore arise in connection with potential acquisitions or opportunities where the interests of the Company's directors and officers conflict with or diverge from the interests of the Company. Directors and officers with conflicts of interest will be required to follow the procedures set out in the *Business Corporations Act* (British Columbia). See "*Directors and Executive Officers – Conflicts of Interest*" and "*Audit Committee and Corporate Governance*".

Public Health Crises and Business Disruption Risks

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics, other health crises or similar business disruptions including the recent outbreak of COVID-19. On March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. government declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, a large number of temporary business closures and quarantines have occurred, along with a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot yet be reasonably estimated. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted.

Such public health crises or similar business disruptions can result in volatility and disruptions in the supply and demand of products, global supply chains and financial markets, as well as declining trade and market sentiment and the reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

Risks Related to the Common Shares

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The only present source of funds available to the Company is through the sale of securities. While the Company may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to existing investors. At present, it is impossible to determine what amount of additional funds, if any, may be required.

High Risk, Speculative Nature of Investment

An investment in the Common Shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has no history of earnings, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Operations are not sufficiently established such that the Company can mitigate the risks associated with its planned activities.

No Established Market for the Common Shares

There is currently no market for the Common Shares, and there can be no assurance that an active market for the Common Shares will be developed or sustained.

Limited Operating History and Negative Operating Cash Flow

The Company has no history of earnings. To the extent that Railtown has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Liquidity Concerns and Future Financing Requirements

The Company has not generated any revenue since its inception. It will likely operate at a loss until its business becomes established and may require additional financing in order to fund future operations. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to it. If additional financing is raised by issuing securities from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Going Concern Opinion

The Company's auditors have issued a going concern opinion. This means that there is substantial doubt that the Company can continue to operate over the next 12 months. The Company's financial statements do not include any adjustments that might be necessary if it is unable to continue as a going concern. As such, if the Company is unable to obtain sufficient financing to execute its business plan it may be required to cease operations.

Listing of Common Shares on the CSE

While it is anticipated that the Common Shares will be listed for trading on the CSE, such listing would be subject to, among other things, the acceptance of the CSE and the receipt of all necessary regulatory approvals. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Company. In addition, if the Offered Securities are not listed on the CSE prior to the time of the closing of the Offering in the manner contemplated under "*Eligibility for Investment*", adverse tax consequences will arise with respect to any Offered Securities held in a Registered Plan or DPSP.

Volatility of Share Price

It is anticipated that the Common Shares will be listed for trading on the CSE. As such, factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the mobile payments industry may have a significant impact on the market price of the Common Shares. Global stock markets, including the CSE, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology industry generally. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Uncertainty of Use of Funds

Although the Company has set out its intended use of funds in this Prospectus, the uses and figures provided are estimates only and are subject to change. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds. See "*Use of Proceeds*".

No Prospect of Dividends

The Company does not anticipate that any dividends will be paid on the Common Shares for the foreseeable future. As such, investors may not realize a return on their investment. See "*Dividends or Distributions*".

Increased Costs of Being a Publicly Traded Company

As a company with publicly-traded securities, the Company may incur significant legal, accounting and filing fees not presently incurred. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which may significantly increase the Company's legal and financial compliance costs. See "*Audit Committee and Corporate Governance*" and "*Use of Proceeds*".

PROMOTERS

Cory Brandolini and Marwan Haddad may be considered promoters of the Company. For further information regarding each of Mr. Brandolini and Mr. Haddad, including their shareholdings in the Company and the compensation they receive, please see "*Directors and Executive Officers*" and "*Executive Compensation*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company are any such legal proceedings contemplated which could become material to a purchaser of the Company's securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Prospectus, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

See "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*", "*Principal Shareholders*", "*Directors and Executive Officers*" and "*Promoters*".

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is Crowe Mackay LLP of 1100 – 1177 West Hastings Street, Vancouver, BC V6E 4T5. Crowe MacKay LLP has informed the Company that it is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

The Company's transfer agent and registrar is National Securities Administrators Ltd. of 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4.

MATERIAL CONTRACTS

The material contracts of the Company are as follows:

1. Technology Transfer Agreement dated November 1, 2019 between the Company and certain vendors. See "*Description of Business*". A copy of the TTA will be available on SEDAR at www.sedar.com.

2. Escrow Agreement to be entered into in connection with the listing of the Common Shares on the CSE between the Company, the Escrow Holders and National Securities Administrators Ltd. See "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*". In connection with the listing of the Common Shares on the CSE, the Escrow Agreement will be available on SEDAR at www.sedar.com.

3. The Agency Agreement. A copy of the Agency Agreement will be available on SEDAR at www.sedar.com.

EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Bennett Jones LLP, the Company's legal counsel with respect to Canadian legal matters herein;

- DuMoulin Black LLP, the Agent's legal counsel with respect to Canadian legal matters herein; and

- Crowe MacKay LLP, the Company's auditor.

No person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Company's property or any associate or affiliate of the Company. As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no material facts relating to the securities being qualified for distribution pursuant to this Prospectus that are not already disclosed herein and are necessary for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

RIGHT OF WITHDRAWAL AND RESCISSION

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

SCHEDULE "A" - FINANCIAL STATEMENTS

[inserted as following pages]

Railtown AI Technologies Inc.

Condensed Interim Financial Statements

Six months ended March 31, 2021 and 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”), consistent with International Financial Reporting Standards (“IFRS”) appropriate in the circumstances.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

RAILTOWN AI TECHNOLOGIES INC.
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		March 31, 2021		September 31, 2020
Assets				
Current assets				
Cash	$	878,163	$	251,346
Receivables		5,142		4,735
Prepaid expense		27,950		2,950
		911,255		259,031
Equipment *(Note 3)*		16,379		13,098
	$	927,634	$	272,129
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities				
Trade payables and accrued liabilities *(Note 5)*	$	51,937	$	27,268
		51,937		27,268
Shareholders' equity (deficiency)				
Share capital *(Note 7)*		3,011,093		1,943,857
Contribution surplus (*Note 7)*		216,444		-
Deficit		(2,351,840)		(1,698,996)
		875,697		244,861
	$	927,634	$	272,129

Nature of Operations *(Note 1)*

Approved on behalf of the Board on April 27, 2021

"Cory Brandolini"	*"Paul Woodward"*
Director	Director

See accompanying notes to the condensed interim financial statements.

RAILTOWN AI TECHNOLOGIES INC.

Condensed Interim Statements of Comprehensive Income (Loss)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended March 31, 2021	Three months ended March 31, 2020	Six months ended March 31, 2021	Six months ended March 31, 2020
Expenses				
Bank charges	$ 610	$ 232	$ 925	$ 253
Consulting fees	8,550	-	41,050	-
Depreciation (Note 3)	2,183	1,759	4,049	2,234
Filling fees	6,245	4,503	7,247	6,533
Office	11,666	12,704	21,041	18,253
Professional fees	16,620	21,683	37,602	33,683
Rent (Note 6)	4,107	3,141	8,964	9,337
Salaries (Note 6)	197,121	73,541	312,726	82,116
Share-based compensation	188,706	-	216,444	-
Travel	1,136	387	2,796	5,714
Net and comprehensive loss for the period	$ (436,944)	$ (117,950)	$ (652,844)	$ (158,123)
Weighted average number of common shares outstanding – basic and diluted	70,084,300	60,923,266	68,425,892	51,343,498
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)

See accompanying notes to the condensed interim financial statements.

RAILTOWN AI TECHNOLOGIES INC.
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Six months ended March 31, 2021	2020
Operating activities:		
Net loss for the period	$ (652,844)	$ (158,123)
Items not involving cash:		
Depreciation	4,049	2,234
Share-based compensation	216,444	-
Changes in non-cash working capital items:		
Receivables	(407)	(3,275)
Prepaid expense	(25,000)	(168)
Trade payables and accrued liabilities	24,669	9,910
Due to related parties	-	(1,722)
Net cash used in operating activities	(433,089)	(151,144)
Investing activities:		
Purchase of equipment	(7,330)	(18,765)
Net cash used in investing activities	(7,330)	(18,765)
Financing activities:		
Proceeds – private placement	1,133,356	272,000
Share issue costs - cash	(66,120)	-
Net cash provided by financing activities	1,067,236	272,000
Change in cash	626,817	102,091
Cash, beginning of the period	251,346	63,346
Cash, end of the period	$ 878,163	$ 165,437
Supplemental cash flow information		
Acquisition of intangible asset – software technology	$ -	$ 1,000,000

See accompanying notes to the condensed interim financial statements.

RAILTOWN AI TECHNOLOGIES INC.
Condensed Interim Statement of Changes in Shareholders' Equity (Deficiency)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital					
	Shares	Deficit	Amount	Contribution Surplus	Deficit	Total
Balance, September 30, 2019	9,240,875	$ (265,005)	$ 315,647	$ -	$ (265,005)	$ 50,642
Acquisition of technologies	50,000,000	-	1,000,000	-	-	1,000,000
Private placements	2,720,000	-	272,000	-	-	272,000
Net and comprehensive loss	-	(158,123)	-	-	(158,123)	(158,123)
Balance, March 31, 2020	61,960,875	(423,128)	1,587,647	-	(423,128)	1,164,519
Private placements	3,820,000	-	382,000	-	-	382,000
Share issuance costs	-	-	(25,790)	-	-	(25,790)
Net and comprehensive loss	-	(1,275,868)	-	-	(1,275,868)	(1,275,868)
Balance, September 30, 2020	65,780,875	(1,698,996)	1,943,857	-	(1,698,996)	244,861
Private placements	4,533,424	-	1,133,356	-	-	1,133,356
Share issuance costs - cash	-	-	(66,120)	-	-	(66,120)
Share-based compensation	-	-	-	216,444	-	216,444
Net and comprehensive loss	-	(652,844)	-	-	(652,844)	(652,844)
Balance, March 31, 2021	70,314,299	$(2,351,840)	$ 3,011,093	$ 216,444	$(2,351,840)	$ 875,697

See accompanying notes to the condensed interim financial statements.

1. Nature of operations

Railtown AI Technologies Inc. (the "Company" or ""Railtown") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 11, 2011.

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, British Columbia, V5A 4W2. The registered office of the Company is located at 3148 Highland Boulevard, North Vancouver, British Columbia, V7R 2X6.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2021, the Company is not able to finance day to day activities through operations and incurs losses. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

Effective August 23, 2019 the Company changed its name from Railtown Capital Corp. to Railtown AI Technologies Inc. as part of a rebranding initiative to better align the Company's name and image with its anticipated new business operations. Concurrently, the Company consolidated its common share on a 5.754 : 1 basis. These financial statements have been retrospectively adjusted for this consolidation.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Significant accounting policies and basis of presentation

Statement of compliance

These unaudited condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The policies applied in the condensed interim financial statements are presented below and are based on IFRS' issued and outstanding as of April 27, 2021; the date the Board of Directors approved the condensed interim financial statements. Any subsequent changes to IFRS that are given effect in our annual financial statements for the year ending September 30, 2021 could result in restatements of these condensed interim financial statements. None of these standards are expected to have a significant effect on the condensed interim financial statements.

Basis of preparation

The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of presentation (continued)

Significant estimates and assumptions

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

Significant judgments and estimates

The preparation of the condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. The most significant estimate includes the assessment of impairment of intangible assets. (see Note 4)

Equipment

Equipment are recorded at cost and depreciated using the straight line method at the following rates per annum.

Computer	3 years
Equipment	5 years

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, deprecation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

2. Significant accounting policies and basis of presentation (continued)

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

2. Significant accounting policies and basis of presentation (continued)

Financial instruments (continued)

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company’s financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Trade payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

2. Significant accounting policies and basis of presentation (continued)

Financial instruments (continued)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant measured using the Black-Scholes option pricing model and charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. If the options expire unexercised, the share-based payments remain in share-based payment reserve.

2. Significant accounting policies and basis of presentation (continued)

Share-based payments *(continued)*

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (continued)

The Company has reviewed new and revised accounting pronouncements that have been issued.

New standard IFRS 16 "Leases"
This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the implementation of IFRS 16 on October 1, 2019 did not have a significant impact on its financial statements.

3. Equipment

	Computer	Equipment	Total
Cost			
Balance, September 30, 2019	$ -	$ -	$ -
Additions	13,903	3,353	17,256
Balance, September 30, 2020	13,903	3,353	17,256
Additions	6,957	372	7,329
Balance, March 31, 2021	$ 20,860	$ 3,725	$ 24,585
Accumulated depreciation			
Balance, September 30, 2019	$ -	$ -	$ -
Additions	3,823	335	4,158
Balance, September 30, 2020	3,823	335	4,158
Additions	3,729	320	4,049
Balance, March 31, 2021	$ 7,552	$ 655	$ 8,207
Carrying amounts			
Balance, September 30, 2020	$ 10,080	$ 3,018	$ 13,098
Balance, March 31, 2021	$ 13,308	$ 3,070	$ 16,378

(Expressed in Canadian Dollars)

4. Intangible assets

		Intangible asset – software technology
Cost		
Balance, September 30, 2019	$	-
Additions		1,000,000
Impairment		(1,000,000)
Balance, September 30, 2020 and March 31, 2021	$	-
Carrying amounts		
Balance, September 30, 2020	$	-
Balance, March 31, 2021	$	-

During the year ended September 30, 2020, the Company entered into a technology transfer agreement with a group of vendors to acquire the rights to certain software technology, the development and subsequent commercialization of which has become the Company's ongoing business.

Pursuant to the technology transfer agreement and in consideration for acquiring the technology, the Company issued 50,000,000 common shares valued at $1,000,000. The intangible asset, comprising of a cloud-based platform to support efficient software development and the software platform.

During the year ended September 30, 2020, the management decided to impair the intangible assets due to uncertainty in its ability to create economic benefit.

5. Trade payables and accrued liabilities

		March 31, 2021		September 30, 2020
Trade payables	$	46,475	$	16,593
Accrued liabilities		5,462		10,675
Trade payables and accrued liabilities	$	51,937	$	27,268

6. Related party transactions

The following loans from related companies, who have directors in common with the Company. The payables are unsecured, non-interest bearing with no specific terms of repayment.

		Due to related parties
Balance at September 30, 2019	$	1,722
Repayment		(1,722)
Balance at September 30, 2020 and March 31, 2021	$	-

During the six months ended March 31, 2021, the Company paid or accrued:

- rent expenses of $8,964 (2020 - $9,337) to a corporation which has a director in common with the Company.

6. Related party transactions (continued)

- marketing fees, included in office, of $Nil (2020 - $4,775) paid or accrued to a company related to a director of the Company.
- salaries of $146,280 (2020 - $66,007) paid or accrued to directors and officers of the Company.
- share-based compensation of $119,819 (2020 - $Nil) to directors and officers of the Company.

7. Share capital

Authorized

Unlimited number of common shares without par value.

Shares issued

During the period ended March 31, 2021, the Company:

i) completed a private placement of 2,902,000 common shares at a price of $0.25 for aggregate gross proceeds of $725,000. The Company paid $38,000 and issued 152,000 broker's warrants as finder's fees. Each broker's warrants will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada. The broker's warrants are valued at $Nil due to the uncertainty regarding the expected date of trading on a recognized stock exchange in Canada.

ii) completed a private placement of 120,000 common shares at a price of $0.25 for aggregate gross proceeds of $30,000. The Company paid $2,400 and issued 9,600 broker's warrants as finder's fees. Each broker's warrants will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada. The broker's warrants are valued at $Nil due to the uncertainty regarding the expected date of trading on a recognized stock exchange in Canada.

iii) completed a private placement of 1,462,000 common shares at a price of $0.25 for aggregate gross proceeds of $365,500. The Company paid $25,720 and issued 102,880 broker's warrants as finder's fees. Each broker's warrants will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada.

iv) completed a private placement of 49,424 common share at a price of $0.25 for aggregate gross proceeds of $12,356.

During the year ended September 30, 2020, the Company:

i) issued 50,000,000 common shares, valued at $1,000,000, pursuant to the acquisition of software technology (Note 4).

ii) closed a private placement of 2,720,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $272,000. The Company paid $1,000 in share issuance cost.

(Expressed in Canadian Dollars)

7. Share capital (continued)

iii) closed a private placement of 1,470,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $147,000. The Company paid $10,390 in share issuance cost.

iv) closed a private placement of 2,350,000 common shares at a price of $0.10 for aggregate gross proceeds of $235,000. The Company paid $14,400 in share issuance cost.

Stock options

During the period ended March 31, 2021, the Company:

i) granted 1,000,000 stock options at a price of $0.10 per share, expiring on October 15, 2025. The stock options are valued at $225,400, and vest 300,000 options upon the completion of 12 months of employment, 300,000 upon the completion of 24 months of employment, and 400,000 upon the completion of 36 months of employment.

ii) granted 3,150,000 incentive stock options at a price of $0.25 per share, expiring March 15, 2026. The stock options are valued at $328,200 and vest 1,500,000 options immediately, and the remaining 1,650,000 options vest as follows:

a) 250,000 options vest over three years, where 100,000 options vest on January 4, 2022, 100,000 options vest on January 4, 2023, and 50,000 options vest on January 4, 2024.

b) 500,000 options vest over three years, where 200,000 options vest on December 1, 2021, 200,000 options vest on December 1, 2022, and 100,000 options vest on December 1, 2023.

c) 400,000 options vest over three years, where 150,000 options vest on February 1, 2022, 150,000 options vest on February 1, 2023, and 100,000 options vest on February 1, 2024.

d) 500,000 options vest over three years, where 150,000 options vest on March 3, 2022, 1500,000 options vest on March 3, 2023, and 200,000 options vest on March 3, 2024.

Details of stock option activity for the period ended March 31, 2021 and year ended September 30, 2020:

Stock options outstanding	**Period ended March 31, 2021**		**Year ended September 30, 2020**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
	#	**$**	**#**	**$**
Outstanding – beginning of period	-	-	-	-
Granted	4,150,000	0.21	-	-
Outstanding – end of period	4,150,000	0.21	-	-

(Expressed in Canadian Dollars)

7. Share capital (continued)

The following table discloses the number of options and vested options outstanding as at March 31, 2021:

Expiry Date	Exercise Price	Number of Option Outstanding	Number of Option Exercisable
October 15, 2025	$0.10	1,000,000	-
March 15, 2026	$0.25	3,150,000	1,500,000
		4,150,000	1,500,000

The fair value of options granted and vested was calculated using the Black-Scholes Model for total share-based payment expense of $216,444 (2020 - $Nil) based on the following weighted average assumptions:

	Period Ended March 31, 2021	Year Ended September 30, 2020
Risk-free interest rate	0.29%	-
Expected life of options	5.00 years	-
Annualized volatility	150.00%	-
Dividend yield	0%	-

Warrants

During the period ended March 31, 2021, the Company:

- granted 152,000 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada.
- 9,600 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada.
- 102,880 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada.

8. Financial instruments

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

8. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

9. Capital disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the period ended March 31, 2021.

10. Subsequent Events

Subsequent to March 31, 2021 the Company:

i) On May 13, 2021, granted 1,125,000 incentive stock options to directors, officers, and employees. The incentive stock options have an exercise price of $0.25 per share, and are valid for a 5 year period from the date of grant. Also during May 1,000,000 options having an exercise price of $0.10 per share, and an expiry date of October 15, 2025 were canceled due to the resignation of an employee in March.

Railtown AI Technologies Inc.

Financial Statements

Years ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Railtown AI Technologies Inc.

Opinion

We have audited the financial statements of Railtown AI Technologies Inc. ("the Company"), which comprise the statements of financial position as at September 30, 2020 and September 30, 2019 and the statements of comprehensive income (loss), changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and September 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
January 26, 2021

RAILTOWN AI TECHNOLOGIES INC.
Statements of Financial Position
(Expressed in Canadian dollars)
As at September 30,

	2020	2019
Assets		
Current assets		
Cash	$ 251,346	$ 63,346
Receivables	4,735	-
Prepaid expense	2,950	2,782
	259,031	66,128
Equipment *(Note 3)*	13,098	-
	$ 272,129	$ 66,128
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities		
Trade payables and accrued liabilities *(Note 5)*	$ 27,268	$ 13,764
Due to related parties *(Note 6)*	-	1,722
	27,268	15,486
Shareholders' equity (deficiency)		
Share capital *(Note 7)*	1,943,857	315,647
Deficit	(1,698,996)	(265,005)
	244,861	50,642
	$ 272,129	$ 66,128

Nature of operations *(Note 1)*
Subsequent event *(Note 11)*

Approved on behalf of the Board on January 26, 2021

"Cory Brandolini"
Director

"Paul Woodward"
Director

See accompanying notes to the financial statements.

RAILTOWN AI TECHNOLOGIES INC.
Statements of Comprehensive Income (Loss)
(Expressed in Canadian dollars)
YEARS ENDED SEPTEMBER 30,

	2020	2019
Expenses		
Bank charges	$ 737	$ 187
Consulting fees (Note 6)	32,000	15,350
Depreciation (Note 3)	4,158	-
Filling fees	8,070	3,742
Office	24,352	7,628
Professional fees	49,033	18,201
Rent (Note 6)	19,051	2,057
Salaries (Note 6)	290,233	-
Travel	6,357	70
	(433,991)	(47,235)
Other income (expense)		
Gain on shares for debt settlement (Notes 6 & 7)	-	47,420
Impairment of intangible assets (Note 4)	(1,000,000)	-
Net and comprehensive income (loss) for the year	$ (1,433,991)	$ 185
Weighted average number of common shares outstanding – basic and diluted	57,748,252	435,150
Basic and diluted earning (loss) per common share	$ (0.02)	$ 0.00

See accompanying notes to the financial statements.

RAILTOWN AI TECHNOLOGIES INC.
Statements of Cash Flows
(Expressed in Canadian dollars)
YEARS ENDED SEPTEMBER 30,

	2020	2019
Operating activities:		
Net income (loss) for the year	$ (1,433,991)	$ 185
Items not involving cash:		
Depreciation	4,158	-
Gain on shares for debt settlement	-	(47,420)
Impairment of intangible assets	1,000,000	-
Changes in non-cash working capital items:		
Receivables	(4,735)	-
Prepaid expense	(168)	(2,782)
Trade payables and accrued liabilities	13,504	15,923
Due to related parties	(1,722)	-
Net cash used in operating activities	(422,954)	(34,094)
Investing activities:		
Purchase of equipment	(17,256)	-
Net cash used in investing activities	(17,256)	-
Financing activities:		
Proceeds – private placements	654,000	95,000
Share issuance cost	(25,790)	-
Net cash provided by financing activities	628,210	95,000
Change in cash	188,000	60,906
Cash, beginning of the year	63,346	2,440
Cash, end of the year	$ 251,346	$ 63,346
Supplemental cash flow information		
Acquisition of intangible asset – software technology	$ 1,000,000	$ -
Shares for debt	$ -	$ 100,647

See accompanying notes to the financial statements.

RAILTOWN AI TECHNOLOGIES INC.
Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Share capital			
	Shares	Amount	Deficit	Total
Balance, September 30, 2018	156,412	$ 120,000	$ (265,190)	$ (145,190)
Private placement	4,052,138	95,000	-	95,000
Shares for debt settlement	5,032,332	100,647	-	100,647
Net and comprehensive income	-	-	185	185
Balance, September 30, 2019	9,240,882	315,647	(265,005)	50,642
Rounding	(7)	-	-	-
Acquisition of technologies	50,000,000	1,000,000	-	1,000,000
Private placements	6,540,000	654,000	-	654,000
Share issuance costs	-	(25,790)	-	(25,790)
Net and comprehensive loss	-	-	(1,433,991)	(1,433,991)
Balance, September 30, 2020	65,780,875	$ 1,943,857	$(1,698,966)	$ 244,861

See accompanying notes to the financial statements.

1. Nature of operations

Railtown AI Technologies Inc. (the “Company” or “”Railtown”) was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 11, 2011.

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, British Columbia, V5A 4W2. The registered office of the Company is located at 3148 Highland Boulevard, North Vancouver, British Columbia, V7R 2X6.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2020, the Company is not able to finance day to day activities through operations and incurs losses. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

Effective August 23, 2019 the Company changed its name from Railtown Capital Corp. to Railtown AI Technologies Inc. as part of a rebranding initiative to better align the Company’s name and image with its anticipated new business operations. Concurrently, the Company consolidated its common share on a 5.754 : 1 basis. These financial statements have been retrospectively adjusted for this consolidation.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. Significant accounting policies and basis of presentation

Statement of compliance

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accompanying financial statements have been prepared by and are the responsibility of the management.

The policies applied in the financial statements are presented below and are based on IFRS’ issued and outstanding as of January 26, 2021; the date the Board of Directors approved the financial statements.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of presentation (continued)

Significant estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

Significant judgments and estimates

The preparation of the financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. The most significant estimate includes the assessment of impairment of intangible assets. (see Note 4)

Equipment

Equipment are recorded at cost and depreciated using the straight line method at the following rates per annum.

Computer	3 years
Equipment	5 years

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, deprecation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

Intangible assets

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is valued at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss.

2. Significant accounting policies and basis of presentation (continued)

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

2. Significant accounting policies and basis of presentation (continued)

Financial instruments (continued)

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Trade payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

2. Significant accounting policies and basis of presentation (continued)

Financial instruments (continued)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian Dollars)

2. Significant accounting policies and basis of presentation (continued)

The Company has reviewed new and revised accounting pronouncements that have been issued.

New standard IFRS 16 "Leases"
This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the implementation of IFRS 16 on October 1, 2019 did not have a significant impact on its financial statements.

3. Equipment

	Computer	Equipment	Total
Cost			
Balance, September 30, 2019 and 2018	$ -	$ -	$ -
Additions	13,903	3,353	17,256
Balance, September 30, 2020	$ 13,903	$ 3,353	$ 17,256
Accumulated depreciation			
Balance, September 30, 2019 and 2018	$ -	$ -	$ -
Additions	3,823	335	4,158
Balance, September 30, 2020	$ 3,823	$ 335	$ 4,158
Carrying amounts			
Balance, September 30, 2019	$ -	$ -	$ -
Balance, September 30, 2020	$ 10,080	$ 3,018	$ 13,098

4. Intangible assets

	Intangible asset – software technology
Cost	
Balance, September 30, 2019 and 2018	$ -
Additions	1,000,000
Impairment	(1,000,000)
Balance, September 30, 2020	$ -
Carrying amounts	
Balance, September 30, 2019	$ -
Balance, September 30, 2020	$ -

(Expressed in Canadian Dollars)

4. Intangible assets (continued)

During the year ended September 30, 2020, the Company entered into a technology transfer agreement with a group of vendors to acquire the rights to certain software technology, the development and subsequent commercialization of which has become the Company's ongoing business.

Pursuant to the technology transfer agreement and in consideration for acquiring the technology, the Company issued 50,000,000 common shares valued at $1,000,000. The intangible asset, comprising of a cloud-based platform to support efficient software development and the software platform.

During the year ended September 30, 2020, the management decided to impair the intangible assets due to uncertainty in its ability to create economic benefit.

5. Trade payables and accrued liabilities

		September 30, 2020		September 30, 2019
Trade payables	$	16,593	$	8,654
Accrued liabilities		10,675		5,110
Trade payables and accrued liabilities	$	27,268	$	13,764

6. Related party transactions

The following loans from related companies, who have directors in common with the Company. The payables are unsecured, non-interest bearing with no specific terms of repayment.

		Due to related parties
Balance at September 30, 2018	$	129,596
Issuance of 5,032,332 common shares		(127,874)
Balance at September 30, 2019		1,722
Repayment		(1,722)
Balance at September 30, 2020	$	-

During the year ended September 30, 2020, the Company paid or accrued:

- consulting fees of $Nil (2019 - $15,350) and rent expenses of $19,051 (2019 - $2,057) to a corporation which has a director in common with the Company.
- salaries of $208,431 (2019 - $Nil) paid or accrued to directors and officers of the Company.

During the year ended September 30, 2019, the Company issued 5,032,332 common shares valued at $100,647 to settle outstanding indebtedness of $148,067, of which $127,874 indebtedness was owed to a corporation which have a director in common with the Company.

7. Share capital

Authorized

Unlimited number of common shares without par value.

Shares issued

During the year ended September 30, 2020, the Company:

i) issued 50,000,000 common shares, valued at $1,000,000, pursuant to the acquisition of software technology (Note 4).

ii) closed a private placement of 2,720,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $272,000. The Company paid $1,000 in share issuance cost.

iii) closed a private placement of 1,470,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $147,000. The Company paid $10,390 in share issuance cost.

iv) closed a private placement of 2,350,000 common shares at a price of $0.10 for aggregate gross proceeds of $235,000. The Company paid $14,400 in share issuance cost.

During the year ended September 30, 2019, the Company:

i) closed a private placement of 52,138 common shares for aggregate gross proceeds of $15,000.

ii) issued 5,032,332 common shares valued at $100,647 to settle outstanding indebtedness of $148,067, which resulted in a gain of $47,420.

iii) closed a private placement of 4,000,000 common shares at a price of $0.02 per share for aggregate gross proceeds of $80,000.

Stock options

At September 30, 2020, there were no stock options outstanding.

8. Financial instruments

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

9. Capital disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2020.

(Expressed in Canadian Dollars)

10. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended September 30, 2020	Year ended September 30, 2019
Net income (loss)	**$ (1,433,991)**	$ 185
Statutory tax rate	**27%**	27%
Expected income tax recovery	**(387,178)**	50
Effects of tax rate change	**-**	(2,090)
Unrecognized items for tax purposes	**415**	-
Change in unrecognized deferred tax assets	**387,763**	2,040
Actual income tax recovery	**$ -**	$ -

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	September 30, 2020	September 30, 2019
Capital assets	**$ 271,000**	$ -
Share issue costs	**6,000**	-
Non-capital loss carry-forwards	**188,000**	56,000
Total deferred tax assets	**465,000**	56,000
Unrecognized deferred tax assets	**(465,000)**	(56,000)
Net deferred income tax assets	**$ -**	$ -

At September 30, 2020, the company has approximately $698,000 non-capital losses available, which expire in the years 2032 to 2040.

11. Subsequent events

Subsequent to September 30, 2020, the Company:

i) completed a private placement of 2,902,000 common shares at a price of $0.25 for aggregate gross proceeds of $725,000. The Company paid $38,000 and issued 152,000 broker's warrants as a finder's fee. Each broker's warrant will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada.

ii) completed a private placement of 120,000 common shares at a price of $0.25 for aggregate gross proceeds of $30,000. The Company paid $2,400 and issued 9,600 broker's warrants as a finder's fee. Each broker's warrant will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada.

iii) granted 1,000,000 stock options at a price of $0.10 per share, expiring on October 15, 2025. The stock options vest as to 300,000 upon the completion of 12 months of employment, 300,000 upon the completion of 24,000 months of employment, and 400,000 upon the completion of 36 months of employment.

11. Subsequent event (continued)

iv) completed a private placement of 1,462,000 common shares at a price of $0.25 for aggregate gross proceeds of $365,500. The Company paid $25,720 and issued 102,880 broker's warrants as a finder's fee. Each broker's warrant will entitle the holder to acquire one common share of the Company at a price of $0.25 per share until the date that is 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada.

v) completed a private placement of 49,424 common share at a price of $0.25 for aggregate gross proceeds of $12,356.

SCHEDULE "B" - MANAGEMENT'S DISCUSSION AND ANALYSIS

[inserted as following pages]

RAILTOWN AI TECHNOLOGIES INC.

Management's Discussion and Analysis of Financial Position and Results of Operations
For the six months ended March 31, 2021

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of May 26, 2021 of the financial position of the Company and results of operations for the period ended March 31, 2021 and should be read in conjunction with the unaudited condensed interim financial statements of Railtown AI Technologies Inc. (formerly Railtown Capital Corp.) ("Railtown" or the "Company") for the period ended March 31, 2021, and the audited financial statements for the year ended September 30, 2020. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using Accounting Standards 34 – Interim Financial Reporting ("IAS 34"), which includes International Accounting Standards Board ("IASB").

All amounts are expressed in Canadian dollars unless otherwise indicated.

Description of business

The Company was incorporated under the Business Corporations Act (British Columbia) on May 11, 2011 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company chose to not complete its IPO and is no longer classified as a Capital Pool Company.

On November 1, 2019, Railtown AI Technologies Inc. entered into a technology transfer agreement (the "TTA") with a group of vendors to acquire the rights to certain software technology, the development and subsequent commercialization of which has become the Company's ongoing business. Pursuant to the TTA and in consideration for acquiring the technology, the Company paid the vendors $1,000,000 in the form of 50,000,000 common shares in the capital of Railtown at a deemed price of $0.02 per share.

The Company's software uses proprietary, state-of-the-art artificial-intelligence data science deployed as an "AI-as-a-Service" cloud-based platform, to support efficient software development at scale, by deriving operational insights and optimization in the development process.

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, British Columbia, V5A 4W2. The registered office of the Company is located at 3148 Highland Boulevard, North Vancouver, British Columbia, V7R 2X6. The Company does not have any subsidiaries.

Forward Looking Statements

This MD&A may contain forward-looking statements based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as May 26, 2021.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or any other reason

Going Concern

As at March 31, 2021, the Company is not able to finance day to day activities through operations. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Liquidity and Capital Resources

As at March 31, 2021, the Company had a working capital of $859,318 (September 30, 2020 – $231,763) as a result of expenses incurred during the period and the closing of a private placement during the period. As at March 31, 2021, the Company had cash on hand of $878,163 (September 30, 2020 - $251,346).

Contractual Obligations

The Company has no contractual obligations.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Results of Operations for the six months ended March 31, 2021

For the six months ended March 31, 2021, the Company had a net loss of $652,844 (2020 - $158,123).

The significant differences between the two periods include:

- Bank charges of $925 (2020 - $253) due to increase in bank charges and interest in current period.
- Consulting fees of $41,050 (2020 - $Nil) due to increased business operation services rendered during the current period commensurate with beginning operations.

- Depreciation of $4,049 (2020 - $2,234) due to additional computer equipment purchased in current period.

- Office expenses of $21,041 (2020 - $18,253) due to increase in staff in current period.
- Professional fees of $37,602 (2020 - $33,683) due to legal fees related to the acquisition of software technologies in comparative period.
- Salaries of $312,726 (2020 - $82,116) due the commencement of operations and the hiring of staff during the current period.
- Share-based compensation of $216,444 (2020 - $Nil) due the stock options granted during the current period.
- Travel of $2,796 (2020 - $5,714) for expenditures related to attend meetings and accommodation during the current period.

Results of Operations for the three months ended March 31, 2021

For the three months ended March 31, 2021, the Company had a net loss of $436,944 (2020 - $117,950).

The significant differences between the two periods include:

- Bank charges of $610 (2020 - $232) due to increase in bank charges and interest in current period.
- Consulting fees of $8,550 (2020 - $Nil) due to a director no longer accruing fees during the current period.
- Depreciation of $2,183 (2020 - $1,759) due to additional computer equipment purchased in current period.
- Filing fees of $6,245 (2020 - $4,503) due to increase in filing activities during current period.
- Professional fees of $16,620 (2020 - $21,683) due to legal fees related to the acquisition of software technologies in comparative period.
- Rent of $4,107 (2020 - $3,141) due to office space provided by a company with a director in common of the Company during the current period.
- Salaries of $197,121 (2020 - $73,541) due to salaries paid or accrued to the directors, officers, and employees of the newly operational Company and the associated new hires.
- Share-based compensation of $188,706 (2020 - $Nil) due to the stock options granted during the current period.
- Travel of $1,136 (2020 - $387) for expenditures related to attendance of meeting and accommodations during the current period.

Quarterly Information

The following table sets forth selected financial information prepared by management of the Company:

Period	Apr 1 – Jun 30/19	Jul 1 – Sep 30/19	Oct 1 – Dec 31/19	Jan 1 – Mar 31/20

Revenue	$	-	$	-	$	-	$	-
Gen & Admin	$	3,006	$	12,490	$	40,173	$	117,950
Stock Based Comp.	$	-	$	-	$	-	$	-
Loss (gain) for the Period	$	3,006	$	(34,930)	$	40,173	$	117,950
Net Loss (income) / Share	$	0.00	$	(0.08)	$	0.00	$	0.00
Cash	$	2,002	$	63,346	$	27,873	$	165,437
Current Assets	$	2,002	$	66,128	$	30,001	$	171,662
Working Capital (Deficiency)	$	(165,005)	$	50,642	$	1,528	$	147,988

Period	**Apr 1 – Jun 30/20**		**Jul 1 – Sep 30/20**		**Oct 1 – Dec 31/20**		**Jan 1 – Mar 31/21**	
Revenue	$	-	$	-	$	-	$	-
Gen & Admin	$	126,013	$	149,855	$	215,900	$	436,944
Stock Based Comp.	$	-	$	-	$	27,738	$	188,706
Loss for the Period	$	126,013	$	1,149,855	$	215,900	$	436,944
Net Loss / Share	$	0.00	$	0.00	$	(0.00)	$	(0.01)
Cash	$	181,325	$	251,346	$	768,996	$	878,163
Current Assets	$	188,335	$	259,031	$	804,511	$	911,255
Working Capital	$	159,978	$	231,763	$	755,540	$	859,318

Transactions with Related Parties

During the six months ended March 31, 2021, the Company paid or accrued:

- rent expenses of $8,964 (2020 - $9,337) to a corporation which has a director in common with the Company.
- marketing fees, included in office, of $Nil (2020 - $4,775) paid or accrued to a company related to a director of the Company.
- salaries of $146,280 (2020 - $66,007) paid or accrued to directors and officers of the Company.
- share-based compensation of $119,819 (2020 - $Nil) to directors and officers of the Company.

Financial Instruments

The Company's financial instruments consist of cash. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature. Cash is stated at cost plus accrued value, which approximates market value. Investments of cash are of sufficient quality and diversity to ensure a high probability of liquidity at the accrued value, at such times as needed to meet financial obligations.

Readers should refer to the March 31, 2021 unaudited condensed interim financial statements on www.sedar.com for additional details.

Recently adopted accounting policies and future accounting pronouncements

Please refer to the March 31, 2021 unaudited condensed interim financial statements on www.sedar.com for all recently adopted accounting policies and future accounting pronouncements.

Share Capital

Authorized capital:

Unlimited number of common shares without par value

Issued and outstanding:

70,314,299 common shares as at the date of this MD&A.

Options:

Expiry Date	Exercise Price	Number of Option Outstanding	Number of Option Exercisable
March 15, 2026	$0.25	3,150,000	1,500,000
May 13, 2026	$0.25	1,125,000	125,000
		4,275,000	1,625,000

Warrants:

There following warrants are outstanding as at the date of this MD&A:

- 152,000 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada

- 9,600 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada

- 102,880 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common share of the Company are listed for trading on a recognized stock exchange in Canada

RAILTOWN AI TECHNOLOGIES INC.

Management's Discussion and Analysis of Financial Position and Results of Operations
For the year ended September 30, 2020

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of January 26, 2021 of the financial position of the Company and results of operations for the year ended September 30, 2020 and should be read in conjunction with the financial statements of Railtown AI Technologies Inc. (formerly Railtown Capital Corp.) ("Railtown" or the "Company") for the year ended September 30, 2020. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All amounts are expressed in Canadian dollars unless otherwise indicated.

Description of business

The Company was incorporated under the Business Corporations Act (British Columbia) on May 11, 2011 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company chose to not complete its IPO and is no longer classified as a Capital Pool Company.

On November 1, 2019, Railtown AI Technologies Inc. entered into a technology transfer agreement (the "TTA") with a group of vendors to acquire the rights to certain software technology, the development and subsequent commercialization of which has become the Company's ongoing business. Pursuant to the TTA and in consideration for acquiring the technology, the Company paid the vendors $1,000,000 in the form of 50,000,000 common shares in the capital of Railtown.

The Company's software uses proprietary, state-of-the-art artificial-intelligence data science deployed as an "AI-as-a-Service" cloud-based platform, to support efficient software development at scale, by deriving operational insights and optimization in the development process.

The head office of the Company is located at Unit 104, 8337 Eastlake Drive, Burnaby, British Columbia, V5A 4W2. The registered office of the Company is located at 3148 Highland Boulevard, North Vancouver, British Columbia, V7R 2X6. The Company does not have any subsidiaries.

Forward Looking Statements

This MD&A may contain forward-looking statements based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as January 26, 2021.

- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

Going Concern

As at September 30, 2020, the Company is not able to finance day to day activities through operations. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Liquidity and Capital Resources

As at September 30, 2020, the Company had a working capital of $231,763 (2019 – $50,642) as a result of expenses incurred during the period. As at September 30, 2020, the Company had cash on hand of $251,346 (2019 - $63,346).

Contractual Obligations

The Company has no contractual obligations.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Results of Operations for the year ended September 30, 2020

For the year ended September 30, 2020, the Company had a net loss of $1,433,991 (2019 – income of $185).

The significant differences between the two periods include:

- Impairment of intangible assets of $1,000,000 (2019 - $nil) due to uncertainty in the Company's ability to create economic benefit from the acquired technology.

- Consulting fees of $32,000 (2019 - $15,350) due to increased business operation services rendered during the current year commensurate with beginning operations.

- Office of $24,352 (2019 - $7,628) due to increased activities during the current year.

- Professional fees of $49,033 (2019 - $18,201) due to legal fees related to the acquisition of software technologies and increased capital raising activities during the current year.

- Rent of $19,051 (2019 - $2,057) due to office space provided by a company which has a director in common with the Company during the current year.

- Salaries of $290,233 (2019 - $Nil) due the commencement of operations and the hiring of staff during the current year.

- Travel of $6,357 (2019 - $70) for expenditures related to attend meetings and accommodation during the current year.

Selected Annual Information

	Year ended September 30, 2020	Year ended September 30, 2019	Year ended September 30, 2018
Net income (loss)	$ (1,433,991)	$ 185	$ (45,117)
Net earning (loss) per share	(0.02)	0.00	(0.32)
Total assets	272,129	66,128	2,440
Long term debt	-	-	-
Dividends	-	-	-

Quarterly Information

The following table sets forth selected financial information prepared by management of the Company:

Period	Oct 1 – Dec 31/18	Jan 1 – Mar 31/19	Apr 1 – Jun 30/19	Jul 1 – Sep 30/19
Revenue	$ -	$ -	$ -	$ -
Gen & Admin	$ 9,675	$ 22,064	$ 3,006	$ 12,490
Stock Based Comp.	$ -	$ -	$ -	$ -
Loss (gain) for the Period	$ 9,675	$ 22,064	$ 3,006	$ (34,930)
Net Loss (income) / Share	$ 0.01	$ 0.02	$ 0.00	$ (0.08)
Cash	$ 1,314	$ 2,621	$ 2,002	$ 63,346
Current Assets	$ 1,314	$ 2,621	$ 2,002	$ 66,128
Working Capital (Deficiency)	$ (154,865)	$ (161,929)	$ (165,005)	$ 50,642

Period	Oct 1 – Dec 31/19	Jan 1 – Mar 31/20	Apr 1 – Jun 30/20	Jul 1 – Sep 30/20
Revenue	$ -	$ -	$ -	$ -
Gen & Admin	$ 40,173	$ 117,950	$ 126,013	$ 149,855
Stock Based Comp.	$ -	$ -	$ -	$ -
Loss for the Period	$ 40,173	$ 117,950	$ 126,013	$ 1,149,855
Net Loss / Share	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Cash	$ 27,873	$ 165,437	$ 181,325	$ 251,346
Current Assets	$ 30,001	$ 171,662	$ 188,335	$ 259,031
Working Capital	$ 1,528	$ 147,988	$ 159,978	$ 231,763

Fourth Quarter

During the quarter ended September 30, 2020, the Company did not have any significant events or transactions and recorded a net income in the amount of $1,149,855 (2019 – 34,930) the major factor contributing to this figure was the impairment of intangible assets.

Transactions with Related Parties

The following loans from related companies, who have directors in common with the Company. The payables are unsecured, non-interest bearing with no specific terms of repayment.

		Due to related parties
Balance at September 30, 2018	$	129,596
Issuance of 5,032,332 common shares		(127,874)
Balance at September 30, 2019		1,722
Repayment		(1,722)
Balance at September 30, 2020	$	-

During the year ended September 30, 2020, the Company paid or accrued:

- consulting fees of $Nil (2019 - $15,350) and rent expenses of $19,051 (2019 - $2,057) to a corporation which has a director in common with the Company.
- salaries of $208,431 (2019 - $Nil) paid or accrued to directors and officers of the Company.

During the year ended September 30, 2019, the Company issued 5,032,332 common shares valued at $100,647 to settle outstanding indebtedness of $148,067, of which $127,874 indebtedness was owed to a corporation which has a director in common with the Company.

Financial Instruments

The Company's financial instruments consist of cash. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature. Cash is stated at cost plus accrued value, which approximates market value. Investments of cash are of sufficient quality and diversity to ensure a high probability of liquidity at the accrued value, at such times as needed to meet financial obligations.

Readers should refer to the September 30, 2020 financial statements on www.sedar.com for additional details.

Recently adopted accounting policies and future accounting pronouncements

Please refer to the September 30, 2020 financial statements on www.sedar.com for all recently adopted accounting policies and future accounting pronouncements.

Share Capital

Authorized capital:

Unlimited number of common shares without par value

Issued and outstanding:

70,314,299 common shares as at the date of this MD&A.

Options:

Expiry Date	Exercise Price	Number of Option Outstanding	Number of Option Exercisable
October 15, 2025	$0.10	1,000,000	-
		1,000,000	-

Warrants:

There following warrants are outstanding as at the date of this MD&A:

- 152,000 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada

- 9,600 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada

- 102,880 broker's warrants exercisable at $0.25 per share for 12 months following the date on which the common shares of the Company are listed for trading on a recognized stock exchange in Canada

Fully diluted:

71,578,779 common shares as at the date of this MD&A.

SCHEDULE "C" - AUDIT COMMITTEE CHARTER

General

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

Composition of Audit Committee

The Committee membership shall satisfy the laws governing the Company and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Company.

Responsibilities

1. The Audit Committee shall be responsible for making the following recommendations to the Board:
    a. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
    b. the compensation of the external auditor.
2. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
    a. reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
    b. questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
    c. reviewing audited annual financial statements, in conjunction with the report of the external auditor;
    d. reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
    e. reviewing the evaluation of internal controls by the external auditor, together with management's response.

3. The Audit Committee shall review interim unaudited financial statements before release to the public.
4. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
5. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
6. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.
7. The Audit Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
8. The Audit Committee shall establish procedures for:
    a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
    b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Audit Committee shall periodically review and approve the Company's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
10. Meetings of the Audit Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

Authority

The Audit Committee shall have the authority to:
1. to engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. to set and pay the compensation for any advisors employed by the Audit Committee; and
3. to communicate directly with the external auditors.

CERTIFICATE OF THE COMPANY

Dated: July 9, 2021

This Prospectus (which includes the marketing material included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario

"Cory Brandolini"	*"Paul Woodward"*
CORY BRANDOLINI Chief Executive Officer and President	PAUL WOODWARD Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Marwan Haddad"	*"Robert Goehring"*
MARWAN HADDAD Director	ROBERT GOEHRING Director

CERTIFICATE OF PROMOTERS

Dated: July 9, 2021

This Prospectus (which includes the marketing material included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Cory Brandolini"	*"Marwan Haddad"*
CORY BRANDOLINI	MARWAN HADDAD

CERTIFICATE OF THE AGENT

Dated: July 9, 2021

To the best of our knowledge, information and belief, this Prospectus (which includes the marketing material included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

ROTH CANADA, ULC

"Brady Fletcher"

BRADY FLETCHER
President & Head of Investment Banking