

A copy of this preliminary short form 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 the securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the preliminary short form prospectus is obtained from the securities regulatory authorities.

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

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and, subject to certain exemptions, may not be offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person (as defined in the 1933 Act). See "Plan of Distribution". This preliminary short form prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities within the United States.

Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Victory Square Technologies Inc. at Suite 1080 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2, Telephone: (604) 283-9166 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

December 31, 2020



VICTORY SQUARE TECHNOLOGIES INC.

\$6,090,787.56

(11,713,053 Unit Shares and 5,856,526 Unit Warrants issuable on deemed exercise of 11,713,053 Special Warrants)

This prospectus (this "**Prospectus**") qualifies the distribution of 11,713,053 Unit Shares (as defined herein) and 5,856,526 Unit Warrants (as defined herein) of Victory Square Technologies Inc. (the "**Company**") issuable upon the exercise or deemed exercise of 11,713,053 Special Warrants (as defined herein) issued on November 9, 2020 (the "**Closing Date**"), at a price of \$0.52 per Special Warrant (the "**Offering Price**") to purchasers resident in each of the Provinces of British Columbia, Alberta and Ontario (the "**Qualifying Jurisdictions**"), and outside of Canada, on a private placement basis (the "**Offering**") pursuant to prospectus exemptions under applicable securities legislation and an agency agreement dated November 9, 2020 (the "**Agency Agreement**"), between the Company and Gravititas Securities Inc. (the "**Agent**"), as lead agent and sole bookrunner.

Each Special Warrant is exercisable for the acquisition of one Unit and each Unit consists of one Unit Share (as defined herein) and one-half of one Unit Warrant (as defined herein). The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Agent. See "**Plan of Distribution**".

This Prospectus qualifies the distribution of the Unit Shares and the Unit Warrants. See "Plan of Distribution**".**

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Unit Shares and Unit Warrants upon exercise or deemed exercise of the Special Warrants.

	Price to the Public	Agent's Fee ⁽¹⁾⁽²⁾	Net Proceeds to the Company ⁽²⁾⁽³⁾
Per Special Warrant	\$0.52	\$0.0348	\$0.4852
Total Offering	\$6,090,787.56	\$408,131.36	\$5,682,656.20

Notes:

- (1) In consideration of the services rendered by the Agent in connection with the Offering, on the Closing Date the Company (a) paid the Agent a cash fee of \$408,131.36 (the "**Agent's Fee**"); (b) issued to 784,867 Agent's Warrants (as defined herein) to the Agent and members of the Agent's selling group; and (c) issued to the Agent 585,651 CF Fee Units (as defined herein) at a price per unit equal to the Offering Price. Each Agent's Warrant entitles the holder thereof to acquire one Agent's Warrant Unit (as defined herein) at an exercise price of \$0.52 per unit until November 9, 2023. Each Agent's Warrant Unit consists of one AWU Share (as defined herein) and one-half of one AWU Warrant (as defined herein). Each AWU Warrant is exercisable to acquire one AWU Warrant Share (as defined herein) until November 9, 2023, at an exercise price of \$0.78 per share. Each CF Fee Unit consists of one CF Fee Share (as defined herein) and one-half of one CF Fee Warrant (as defined herein). Each CF Fee Warrant is exercisable to acquire one CF Fee Warrant Share (as defined herein) until November 9, 2023, at an exercise price of \$0.78 per share. This Prospectus qualifies the distribution of the Agent's Warrants, the CF Fee Shares and the CF Fee Warrants. See "*Plan of Distribution*".
- (2) After deducting the Agent's Fee but before deducting the aggregate expenses of the Offering and the qualification of the Unit Shares and Unit Warrants pursuant to this Prospectus, of approximately \$300,000, which, together with the Agent's Fee, was paid and will be paid by the Company from the proceeds of the Offering. See "*Use of Proceeds*".
- (3) The distribution of the Unit Shares and Unit Warrants upon exercise of the Special Warrants will not result in any proceeds being received by the Company.

The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture (as defined herein). Pursuant to the Special Warrant Indenture, each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit, subject to adjustment in certain circumstances, at no additional cost. Each Special Warrant is exercisable by the holder thereof at any time and each Special Warrant not previously exercised by the holder thereof shall be deemed to be exercised on behalf of, and without any required action on the part of, the holder thereof on the date (the "**Automatic Exercise Date**") that is the earlier of: (i) the date on which a receipt is obtained from the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying Jurisdictions, for a (final) short form prospectus of the Company (the "**Final Prospectus**") filed pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* and qualifying the distribution of the Unit Shares and Unit Warrants; and (ii) 4:30 p.m. (Toronto time) on March 10, 2021 (the "**Qualification Deadline**").

In the event that the Company does not receive a receipt for this (preliminary) Prospectus from the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying Jurisdictions, on or before January 8, 2021 (the "**Penalty Date**"), each outstanding Special Warrant shall thereafter entitle the holder to receive upon the exercise thereof, for no additional consideration, 1.10 Units (the "**Penalty Provision**"). In the event that a receipt is not issued for this (preliminary) Prospectus on or before the Penalty Date, this Prospectus also qualifies the distribution of 1,171,305 Unit Shares and 585,651 Units Warrants issuable pursuant to the Penalty Provision and all references herein to the Units, Unit Shares, Unit Warrants and UW Shares shall be read to include, as the context requires, the securities issuable pursuant to the Penalty Provision. See "*Plan of Distribution*".

The Unit Warrants are issuable pursuant to the Warrant Indenture (as defined herein). Each Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one UW Share (as defined herein) at an exercise price of \$0.78 per share until 12:00 p.m. (Vancouver time) on November 9, 2023. See "*Description of Securities Issued*".

In addition, the following table sets forth the compensation securities that were issued by the Company to the Agent in connection with the Offering:

Agent's Position	Number of Securities Issued	Exercise Period and/or Acquisition Date	Exercise Price or Acquisition Price
Agent's Warrants ⁽¹⁾	784,867 Agent's Warrants ⁽¹⁾	Acquired on November 9, 2020 ⁽¹⁾	\$0.52 per Agent's Warrant Unit ⁽¹⁾
CF Fee Units ⁽²⁾	585,651 CF Fee Units ⁽²⁾	Acquired on November 9, 2020 ⁽²⁾	\$0.52 per CF Fee Unit ⁽²⁾

Notes:

- (1) This Prospectus qualifies the distribution of the Agent's Warrants. Each Agent's Warrant is exercisable for the purchase of one Agent's Warrant Unit, with each Agent's Warrant Unit to be comprised of one AWU Share and one-half of one AWU Warrant, with each AWU Warrant exercisable until November 9, 2023, for the purchase of one AWU Warrant Share at a price of \$0.78 per share. See "*Plan of Distribution*".
- (2) Each CF Fee Unit is comprised of one CF Fee Share and one half of one CF Fee Warrant, with each CF Fee Warrant exercisable until November 9, 2023, for the purchase of one CF Fee Warrant Shares at a price of \$0.78 per share. This Prospectus qualifies the distribution of the CF Fee Shares and CF Fee Warrants. See "*Plan of Distribution*".

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by MLT Aikins LLP and on behalf of the Agent by DuMoulin Black LLP.

The closing of the Offering occurred on November 9, 2020. In accordance with the Special Warrant Indenture and the Warrant Indenture (i) the Unit Shares and Unit Warrants will be issued and deposited in electronic form as non-certificated inventory with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Unit Shares and Unit Warrants will not be issued to holders of Special Warrants; and (iii) holders of Special Warrants will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant. See "*Plan of Distribution*".

The Common Shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the trading symbol "VST". The Common Shares are also listed for trading on the OTCQX under the trading symbol "VSQTF" and the Frankfurt Stock Exchange under the trading symbol "6F6". The Company shall use commercially reasonable efforts to list the Unit shares, the UW Shares issuable upon exercise of the Unit Warrants, the AWU Shares, the AWU Warrant Shares issuable upon exercise of the AWU Warrants, the CF Fee Shares, and the CF Fee Warrant Shares issuable upon exercise of the CF Fee Warrants on the CSE. Listing is subject to the Company fulfilling all of the listing requirements of the CSE. On December 30, 2020, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.53.

There is no market through which the Unit Warrants may be sold and holders of Unit Warrants may not be able to resell the Unit Warrants acquired pursuant to the Offering. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Warrants and the extent of issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See "*Risk Factors*".

Readers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agent have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Holders of Special Warrants are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Special Warrants, the Unit Shares and the Unit Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Special Warrants, the Unit Shares and the Unit Warrants.

The Company's head office and its registered and records office are located at Suite 1080 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2.

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GLOSSARY OF DEFINED TERMS

In this Prospectus, the following terms below have the meanings ascribed thereto:

"**1933 Act**" means the United States *Securities Act of 1933*, as amended;

"**Agency Agreement**" has the meaning set forth on the face page of this Prospectus;

"**Agent**" means Gravitass Securities Inc.

"**Agent's Fee**" has the meaning set forth on the face page of this Prospectus;

"**Agent's Warrant Units**" means the 784,867 units of the Company issuable upon exercise of the Agent's Warrants, with each unit comprised of one AWU Share and one-half of one AWU Warrant;

"**Agent's Warrants**" means the 784,867 warrants issued to the Agent, each of which entitles the holder to acquire one Agent's Warrant Unit at an exercise price of \$0.52 per unit until November 9, 2023;

"**AIF**" means the annual information form of the Company for the year ended December 31, 2019;

"**Annual MD&A**" means the management's discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2019;

"**Automatic Exercise Date**" has the meaning set forth on the face page of this Prospectus;

"**AWU Shares**" means the 784,867 Common Shares partially comprising the Agent's Warrant Units;

"**AWU Warrants**" means the 392,433 common share purchase warrants of the Company partially comprising the Agent's Warrant Units, with each warrant exercisable for the purchase of one AWU Warrant Share at a price of \$0.78 per share until November 9, 2023;

"**AWU Warrant Shares**" means the 392,433 Common Shares issuable upon exercise of the AWU Warrants;

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

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**CF Fee Shares**" means the 585,651 Common Shares partially comprising the CF Fee Units;

"**CF Fee Units**" means the 585,651 units of the Company issued to the Agent at a price of \$0.52 per unit pursuant to the Offering;

"**CF Fee Warrants**" means the 292,825 common share purchase warrants of the Company partially comprising the CF Fee Units, with each warrant exercisable for the purchase of one CF Fee Warrant Share at a price of \$0.78 per share until November 9, 2023;

"**CF Fee Warrant Shares**" means the 292,825 Common Shares issuable upon exercise of the CF Fee Warrants;

"**Closing Date**" has the meaning set forth on the face page of this Prospectus;

"**Common Shares**" means the common shares without par value in the capital of the Company;

"**Company**" means Victory Square Technologies Inc. and, where the context requires, includes the Subsidiaries of the Company;

"**Computershare**" means Computershare Trust Company of Canada;

"**CSE**" means the Canadian Securities Exchange;

"**Directors**" means, collectively, the directors of the Company;

"**Final Prospectus**" has the meaning set forth on the face page of this Prospectus;

"**Interim MD&A**" means the management's discussion and analysis of financial condition and results of operations of the Company for the three and nine months ended September 30, 2020;

"**Investee**" means a Subsidiary or a Portfolio Company;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Offering**" has the meaning set forth on the face page of this Prospectus;

"**Offering Price**" has the meaning set forth on the face page of this Prospectus;

"**Options**" means incentive stock options of the Company to acquire Common Shares;

"**OTCQB**" means the OTCQB quotation system maintained by OTC Markets in the United States;

"**OTCQX**" means the OTCQX quotation system maintained by OTC Markets in the United States;

"**Penalty Date**" has the meaning set forth on the face page of this Prospectus;

"**Penalty Provision**" has the meaning set forth on the face page of this Prospectus;

"**Portfolio Companies**" means the companies in which the Company holds an interest being, as at the date hereof, collectively, Aspen Technologies Inc., Cassia Research Inc., Cloud Benefit Solutions Inc., MLVX Technologies Inc., FansUnite Entertainment Inc., Flo Digital Inc., Grow Academy Technologies Inc., Howyl Ventures Inc., Multapplied Networks, Inc. Next Decentrum Technologies Inc., PayVida Solutions Inc., Shape Immersive Inc., Silota Research and Development Inc., and LocoNoco Inc.;

"**Qualification Deadline**" has the meaning set forth on the face page of this Prospectus;

"**Qualifying Jurisdictions**" has the meaning set forth on the face page of this Prospectus;

"**Regulation D**" means Regulation D as promulgated by the United States Securities and Exchange Commission under the 1933 Act;

"**Regulation S**" means Regulation S as promulgated by the United States Securities and Exchange Commission under the 1933 Act;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval at www.sedar.com.

"**Shareholder**" means a holder of Common Shares, as the context requires;

"**Special Warrant Indenture**" means the special warrant indenture dated November 9, 2020, between the Company and Computershare, as special warrant agent;

"**Special Warrants**" means the 11,713,053 special warrants of the Company issued pursuant to, and governed by, the Special Warrant Indenture on November 9, 2020;

"**Subsidiary**" means the direct and indirect subsidiaries of the Company being, collectively, VS Digital Health Inc., Draft Label Technologies Inc., Fantasy 360 Technologies Inc., Victory Square Health Inc., V2 Games Inc., Victory Entertainment Inc. and PDL USA Inc. and "**Subsidiary**" means any one such entity;

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**Unit Shares**" means the up to 12,884,358 Common Shares partially comprising the Units;

"**Unit Warrants**" means the up to 6,442,179 common share purchase warrants of the Company partially comprising the Units, to be issued pursuant to and governed by the Warrant Indenture;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**Units**" means the up to 12,884,358 units of the Company issuable pursuant to the Special Warrant Indenture upon exercise or deemed exercise of the Special Warrants, including pursuant to the Penalty Provision, if applicable;

"**UW Shares**" means the 6,442,179 Common Shares issuable upon exercise of the Unit Warrants;

"**Warrant Indenture**" means the warrant indenture dated November 9, 2020, between the Company and Computershare, as warrant agent.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company at Suite 1080 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2, telephone: (604) 283-9166 and are also available electronically through the internet on SEDAR.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus, the following documents of the Company that have been filed with applicable securities regulatory authorities in Canada are specifically incorporated by reference herein and form an integral part of this Prospectus:

- (a) the AIF;
- (b) the audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and December 31, 2018 and the report of the independent auditor thereon;
- (c) the Annual MD&A;
- (d) the condensed consolidated interim unaudited financial statements of the Company for the three and nine months ended September 30, 2020;
- (e) the Interim MD&A;
- (f) the management information circular dated November 3, 2020, in respect of the annual general meeting of holders of Common Shares of the Company held on December 4, 2020;
- (g) the material change report dated October 20, 2020, announcing the entrance into an engagement letter with the Agent in relation to the Offering; and
- (h) the material change report dated November 9, 2020, announcing the closing of the Offering.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management's discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Unit Shares and Unit Warrants, will be deemed to be incorporated

by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). This Prospectus and the documents incorporated by reference herein includes forward-looking statements regarding the Company and its affiliates (collectively, the "**Group**") and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future operations of the Group and origination of additional companies in which the Company holds an interest and acquisition opportunities for the Group, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects, and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "*Risk Factors*", as well as any other cautionary language in this Prospectus and the documents incorporated by reference herein, provide examples of risks, uncertainties and events that may cause the Group's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this Prospectus and in the documents incorporated by reference herein could have an adverse effect on, among other things, the Group's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this Prospectus include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- timelines;
- strategic plans;
- the business and operations of the Group;
- the business, operations, strategies and expectations of the Group;
- the volatility of the novel coronavirus ("**COVID-19**") outbreak as a global pandemic;
- the use of proceeds from the Offering;
- the Group's reliance on key management personnel, advisors and consultants;
- the continuation of the Company as a going concern;
- the impacts of changes in the legal and regulatory environment in which the Company operates;
- the Group's business objectives and discussion of trends affecting the business of the Group;

- the funds available to the Group and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Group;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Group from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Group.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Group to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of members of the Group;
- the current lack of profitability of members of the Group, including the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Group has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Group;
- parameters and assumptions underlying future investments and acquisitions;
- risks relating to investments in equity securities;
- the possibility that the Group will be unable to dispose of illiquid securities;
- risks that the asset classes held in the Group's equity portfolio will underperform the market;
- risks associated with investments in blockchain, healthcare, gaming and other technologies;
- risk the Company's portfolio is too concentrated and not sufficiently diversified;
- risks associated with investments in the technology sector;
- risks associated with investments in small and mid-capitalization companies;
- the Group's operations, investment strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under the heading "*Risks Factors*".

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being

exhaustive.

In making the forward-looking statements in this Prospectus, the Company has made assumptions regarding general economic conditions, the impact of the COVID-19 pandemic on the Group and its operations, strength of relationships with Investees, regulatory oversight and such other risks or factors described in this Prospectus and the documents incorporated by reference herein and from time to time in public disclosure documents of the Group that are filed with securities regulatory authorities.

The Company notes that the dynamic nature of the COVID-19 pandemic and any associated or resulting events and circumstances mean that management can offer no assurance such forward-looking statements will occur or be accurate in the circumstances. Accordingly, readers should not place undue reliance on forward-looking statements, which speaks only to opinions, estimates and assumptions as of the date made. The forward-looking statements contained in this Prospectus are expressly qualified by this cautionary statement and are made as at the date of this Prospectus. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Company does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this Prospectus may be based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from government or other third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

EXCHANGE RATE DATA

Unless otherwise indicated, all references to "\$" or "dollars" in this Prospectus refer to Canadian dollars. References to "US\$" in this Prospectus refer to United States dollars.

The table below sets forth the following: (a) the rate of exchange for the Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated; (b) the average exchange rates for the Canadian dollar, expressed in U.S. dollars, on the last day of each month on which exchange rates are published during such periods; and (c) the high and low exchange rates for the Canadian dollar, expressed in U.S. dollars, during such periods, each based on the rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars.

	Year Ended December 31,		Quarter Ended September 30,	
	2019	2018	2020	2019
Rate at end of period	\$1.2988	\$1.3642	\$1.3339	\$1.3243
Average rate of period	\$1.3269	\$1.2957	\$1.3321	\$1.3204
High for period	\$1.3600	\$1.3642	\$1.3616	\$1.3343
Low for period	\$1.2988	\$1.2288	\$1.3042	\$1.3038

The daily exchange rate on December 30, 2020, as reported by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was US\$1.00 equals \$1.2769.

SUMMARY DESCRIPTION OF BUSINESS

General

The Company was incorporated under the BCBCA on February 10, 2015, under the name "Davita Capital Inc.". The Company changed its name to "Fantasy 6 Sports Inc." on September 22, 2015, and then to "Victory Square Technologies Inc." on May 24, 2017. The Company is listed on the CSE and trades under the symbol "VST". The Company commenced trading on the OTCQX under the symbol "FNTYF" on May 31, 2016, which symbol subsequently changed to VSQTF.

The Company's head office and its registered and records office is located at Suite 1080 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company focuses on building, acquiring and investing in emerging technology companies. As of the date hereof, the Company has fourteen Portfolio Companies and seven Subsidiaries, which companies operate in emerging technologies including, but not limited to, artificial intelligence (AI), gaming, digital/virtual healthcare, augmented reality and virtual reality (AR/VR) and blockchain. The Company supports these companies as they grow by providing comprehensive functional expertise in commercialization, product market-fit and through access to proprietary technology solutions and to an extensive ecosystem of global partnerships.

Intercorporate Relationships

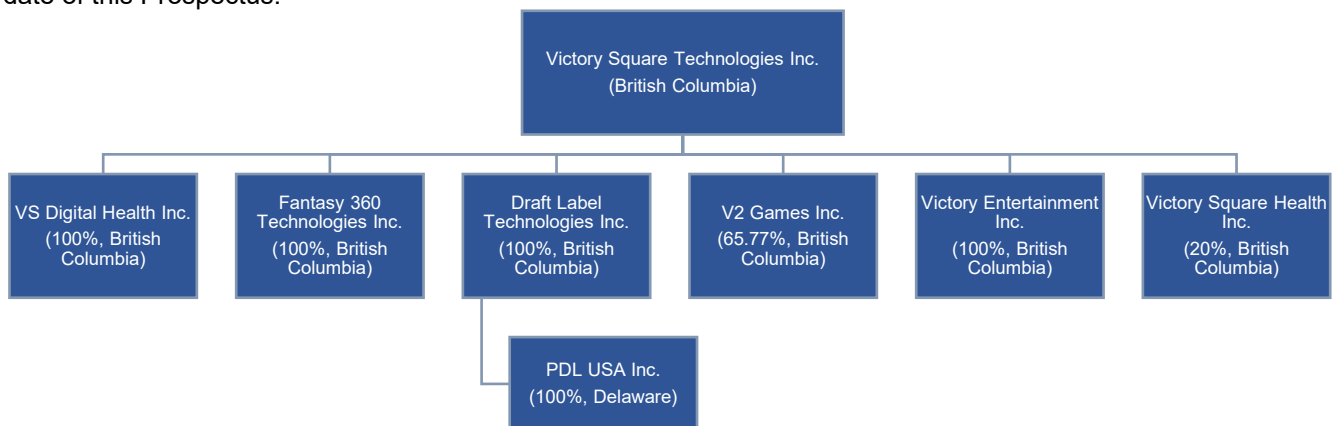
The Company operates a number of subsidiaries through which it conducts a variety of businesses. The following table illustrates the Company's legal structure and relationship to, and ownership interest in, its Subsidiaries, as at the date hereof.

Name	Justification of Formation	Ownership Interest
VS Digital Health Inc.	British Columbia	100% ⁽¹⁾
Draft Label Technologies Inc.	Canada (Federal)	100% ⁽¹⁾
Fantasy 360 Technologies Inc.	British Columbia	100% ⁽¹⁾
Victory Square Health Inc.	British Columbia	20% ⁽¹⁾
V2 Games Inc.	British Columbia	65.77% ⁽¹⁾
Victory Entertainment Inc.	British Columbia	100% ⁽¹⁾
PDL USA Inc.	Delaware	100% ⁽²⁾

Notes:

- (1) Directly held by the Company.
- (2) Indirectly held through Draft Label Technologies Inc.

Set forth below is a corporate organization chart of the Company, together with its material Subsidiaries as of the date of this Prospectus.



Significant Acquisitions

In the fiscal year ended December 31, 2019, and in the period since January 1, 2020, to the date hereof, the Company did not make any significant acquisitions requiring disclosure under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

USE OF PROCEEDS

The Company received gross proceeds of \$6,090,787.56 from the sale of the Special Warrants. The net proceeds to the Company from the Offering is approximately \$5,382,656.20, after deducting the Agent's Fee and expenses in connection with the Offering and the estimated expenses of the Company in connection with the Offering and the qualification for distribution of the Unit Shares and Unit Warrants pursuant to this Prospectus.

Business Objectives and Milestones

The Company intends to use the net proceeds of the Offering as follows:

Activity or Nature of Expenditure	Approximate Use of Net Proceeds	Milestone for Use of Proceeds	Timelines by which Milestones are Expected to Occur
Repayment of related party debt	\$500,000	N/A	N/A
investment in digital health, diagnostics, eSports, gaming, crypto, blockchain, AR/VR, cybersecurity, cloud computing, fintech and plant-based health companies	\$3,000,000	Increase the net asset value of the Company's investment, generate revenue for the Company, and monetization through product development, validation of customer and market fit, and commercialization of investments.	24 to 36 months
Working Capital & General Corporate purposes	\$1,882,656.20	N/A	N/A
Total	\$5,382,656.20		

While the Company currently anticipates that it will use the net proceeds of the Offering as set forth above, the Company may re-allocate the net proceeds of the Offering from time to time. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Directors. Management will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. See "*Risk Factors*".

The Company generates no operating revenue from the exploration activities on its property interests and has negative cash flow from operating activities. The Company anticipates that it will continue to have negative cash flow until such time as commercial production is achieved at a particular project. To the extent that the Company has negative operating cash flows in future periods in excess of amounts disclosed above in the Use of Proceeds table, it may need to deploy a portion of its existing working capital to fund such negative cash flow. See "*Risk Factors*".

Related Party Disclosure

The Company has retired a 'related party' (as defined in MI 61-101) debt in the aggregate amount of \$500,000 through acceptance of a subscription from the 'related party' for Special Warrants in the aggregate amount of \$500,000 (the "**Related Party Transaction**"). Such transaction constitutes a 'related party transaction' in accordance with MI 61-101. The Company has determined that the retirement of the 'related party' debt will be exempt from the formal valuation requirements in accordance with section 5.5(c) of MI 61-101. The Related Party Transaction is a distribution of securities of the Company to a related party for settlement of debt in the amount of \$500,000. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, the 'related party'

has knowledge of any material information concerning the Company or its securities that has not been generally disclosed, and the related party's voting interest is not materially impacted by the distribution of the Special Warrants to the related party. The related party previously held 11,928,118 of the voting securities of VST, representing approximately 12.63% of the issued and outstanding Common Shares on a fully diluted basis. Upon issuance of the Unit Shares and exercise of the Unit Warrants, the related party will hold 12,889,656 of the voting securities of VST, representing approximately 13.65% of the issued and outstanding Common Shares on a fully diluted basis. The Company issued the material change report required by MI 61-101 on November 9, 2020.

The Company has determined that the retirement of the 'related party' debt will be exempt from the minority approval requirements in accordance with section 5.7(1)(b) of MI 61-101. No securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market (as defined in MI 61-101) of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. At the time the Related Party Transaction was agreed to, neither the fair market value of the securities to be distributed in the Related Party Transaction nor the consideration to be received for those securities, insofar as the Related Party Transaction involves interested parties, exceeds \$2,500,000. The Company has one or more independent directors in respect of the Related Party Transaction who are not employees of the Company, of which, at least two-thirds of those directors approved the Related Party Transaction.

PLAN OF DISTRIBUTION

General

This Prospectus is being filed in each of the Qualifying Jurisdictions to qualify the distribution of 11,713,053 Unit Shares and 5,856,526 Unit Warrants issuable upon the exercise or deemed exercise of 11,713,053 Special Warrants issued pursuant to the Offering.

On November 9, 2020, the Company completed the Offering of 11,713,053 Special Warrants at the Offering Price pursuant to prospectus exemptions under applicable securities legislation in each of the Qualifying Jurisdictions (and in jurisdictions outside of Canada in compliance with laws applicable therein), on a private placement basis. The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Company and the Agent.

The Special Warrants were issued pursuant to the terms of the Special Warrant Indenture. Each Special Warrant entitles the holder thereof to receive, upon exercise or deemed exercise, one Unit, subject to adjustment in certain circumstances, at no additional cost to the holder. Each Special Warrant is exercisable by the holder thereof at any time and each Special Warrant not exercised by the holder thereof, shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof on the Automatic Exercise Date. Each Unit consists of one Unit Share and one-half of one Unit Warrant. The Unit Warrants are issuable pursuant to the Warrant Indenture. Each Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one UW Share at an exercise price of \$0.78 per share until November 9, 2023.

The Company has covenanted to use commercially reasonable efforts to (i) prepare and file a preliminary short form prospectus and obtain a receipt therefor from the securities regulatory authorities in the Qualifying Jurisdictions within 60 days following the Closing Date; (ii) promptly resolve all comments received or deficiencies raised by the securities regulatory authorities in the Qualifying Jurisdictions after receipt of such comments, and (iii) prepare and file the Final Prospectus and obtain a final receipt in respect thereof, all as soon as reasonably practicable following the Closing Date, and in any event prior to the Qualification Deadline.

In the event that the Company does not receive a receipt for this (preliminary) Prospectus from the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying Jurisdictions prior to the Penalty Date, each outstanding Special Warrant shall thereafter entitle the holder to receive upon the exercise thereof, for no additional consideration, 1.10 Units pursuant to the Penalty Provision. In the event that a receipt is not issued for this (preliminary) Prospectus on or before the Penalty Date, this Prospectus also qualifies the distribution of 1,171,305 Unit Shares and 585,651 Unit Warrants issuable pursuant to the Penalty Provision.

Pursuant to the Agency Agreement, the Company paid the Agent a cash commission equal to 8.0% of the aggregate gross proceeds of the Offering and issued to the Agent, as well as members of the Agent's selling group, an aggregate of 784,867 Agent's Warrants. Each Agent's Warrant entitles the holder thereof to acquire one Agent's Warrant Unit at an exercise price of \$0.52 per unit until November 9, 2023. Each Agent's Warrant Unit consists of one AWU Share and one-half of one AWU Warrant. Each AWU Warrant is exercisable to acquire one AWU Warrant Share until November 9, 2023, at an exercise price of \$0.78 per share.

The Company also paid the Agent on the Closing Date a corporate finance fee equal to 5.0% of the aggregate gross proceeds of the Offering, which was paid by the issuance of 585,651 CF Fee Units. Each CF Fee Unit consists of one CF Fee Share and one-half of one CF Fee Warrant. Each CF Fee Warrant is exercisable to acquire one CF Fee Warrant Share until November 9, 2023, at an exercise price of \$0.78 per share. This Prospectus qualifies the distribution of the Agent's Warrants, the CF Fee Shares and the CF Fee Warrants.

Pursuant to the terms of the Agency Agreement, the Company agreed to reimburse the Agent for certain expenses related to the Offering. There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments made to the Agent in accordance with the terms of the Agency Agreement.

In accordance with the Special Warrant Indenture and the Warrant Indenture (i) the Unit Shares and Unit Warrants will be issued and deposited in electronic form as non-certificated inventory with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Unit Shares and Unit Warrants will not be issued to holders of Special Warrants; and (iii) holders of Special Warrants will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant.

Pursuant to the Agency Agreement, the Company has agreed that it shall not directly or indirectly issue, sell, offer, grant any option or right in respect of any Common Shares or securities convertible or exchangeable into Common Shares (or agree to, or publicly announce any intention to do any of the foregoing) for a period of 90 days following the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld, delayed or conditioned, other than in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the existing stock option plan of the Company and other share compensation arrangements; (ii) outstanding warrants or other outstanding convertible securities; (iii) obligations in respect of existing agreements; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Additionally, the Company has caused each of its director and officer to entered into lock-up agreement with the Agents, whereby the director or officer agreed not to directly or indirectly, offer, sell, assign, pledge, transfer, or otherwise dispose of any Common Shares (or securities convertible into Common Shares) owned, directly or indirectly, or under control or direction, or with respect to which the director or officer has beneficial ownership for a period of 90 days following the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, or pursuant to certain permitted exceptions set out in the lock-up agreements.

The Special Warrants issued under and governed by the Special Warrant Indenture were sold in the Qualifying Jurisdictions through the Agent pursuant to exemptions from applicable prospectus and registration requirements. Special Warrants were also sold in jurisdictions outside of Canada pursuant to applicable securities law exemptions therein.

The Company has agreed, pursuant to the Agency Agreement, to indemnify and hold harmless the Agent and each of their respective affiliates and their respective directors, officers, employees, partners, agents and shareholders their affiliates and directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Agent or their affiliates and against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Agent may have to make because of such liabilities.

DESCRIPTION OF SECURITIES ISSUED

Special Warrants

The Special Warrants were created pursuant to, and are governed by, the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 11,713,053 Special Warrants are outstanding as of the date of this Prospectus. Subject to adjustment in certain instances as set out in the Special Warrant Indenture, each Special Warrant entitles its holder to receive, upon exercise or deemed exercise, one Unit comprising one Unit Share and one-half of one Unit Warrant. Each Special Warrant shall be deemed exercised and surrendered, without any further action or payment of additional consideration by the holder thereof, at 4:30 p.m. (Toronto time) on the day that is the earlier of: (i) the date on which a receipt is obtained from the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying Jurisdictions, for a Final Prospectus filed pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* and qualifying the distribution of the Unit Shares and Unit Warrants; and (ii) the Qualification Deadline.

Computershare, at its principal offices in Vancouver, British Columbia, serves as special warrant agent pursuant to the Special Warrant Indenture.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture; it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture. A copy of the Special Warrant Indenture may be obtained on request without charge from the Corporate Secretary of the Company by sending a written request to Suite 1080 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2 (telephone: 604-283-9166) or electronically under the Company's profile on SEDAR.

The Company has agreed to grant to each holder of Special Warrants a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrants were initially acquired. See "*Statutory and Contractual Rights of Withdrawal and Rescission*".

Unit Shares

The Company is authorized to issue an unlimited number of Common Shares. As at December 30, 2020 there are approximately 76,491,818 Common Shares issued and outstanding. The holders of Common Shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and to one vote per Common Share at meetings of the shareholders. The holders of Common Shares are entitled to dividends if, as and when declared by the board of directors of the Company, and upon liquidation, dissolution or winding-up, to share equally in such assets of the Company as are distributable to the holders of Common Shares.

The Unit Shares have not been, and will not be, registered under the 1933 Act, or the securities laws of any state of the United States.

Unit Warrants

The Unit Warrants were created and will be issued pursuant to, and governed by, the terms and conditions set forth in the Warrant Indenture. Each Unit Warrant will entitle the holder thereof to purchase one UW Share at the exercise price of \$0.78 per share until November 9, 2023.

The Unit Warrants and the UW Shares have not been, and will not be, registered under the 1933 Act, or the securities laws of any state of the United States. The Unit Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, unless the holder: (i) (A) is an institutional "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D or is a "qualified purchaser" as defined in Section 2(a)(51) of the *U.S. Investment Company Act* who first purchased Special Warrants on the date of original issuance of the Special Warrants by the Company, and (B) signs and delivers an exercise form in the form attached to the Warrant Indenture confirming that the representations, warranties and covenants of the holder set forth in the original subscription agreement with the Company continue to be true and correct; or (ii) delivers an acknowledgement letter in the form provided in the Warrant Indenture or an opinion of counsel to the

effect that the exercise of the Unit Warrants and the issuance of the UW Shares are in compliance with the applicable state laws and the 1933 Act. The Unit Warrants issued to, or for the account or benefit of, persons in the United States and U.S. Persons upon exercise of the Special Warrants will be "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act and may be offered, sold, pledged or otherwise transferred only pursuant to an exemption or exclusion from the registration requirements of the 1933 Act and applicable U.S. state securities laws (and in compliance with the provisions of the Warrant Indenture and the terms of the original subscription agreement with the Company).

Computershare, at its principal offices in Vancouver, British Columbia, serves as warrant agent pursuant to the Warrant Indenture. The foregoing is a summary description of certain material provisions of the Warrant Indenture; it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request without charge from the Corporate Secretary of the Company by sending a written request to Suite 1080 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2 (telephone: 604-283-9166) or electronically under the Company's profile on SEDAR.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at September 30, 2020, after giving effect to the completion of the Offering.

Designation	Outstanding as at September 30, 2020 (unaudited)	Outstanding as at September 30, 2020 after giving effect to the Offering ⁽¹⁾ (unaudited)
Common Shares	75,806,167	76,391,818
Special Warrants	nil	11,713,053
Agent's Warrants	nil	784,867
CF Fee Warrants	nil	585,651
Options	4,975,000	4,975,000

Note:

(1) There has been no material change in the capitalization of the Company since September 30, 2020, other than the change in the capital of the Company that resulted from the Offering.

PRIOR SALES

Prior Sales

During the 12-month period prior to the date of this Prospectus, Common Shares and securities convertible into Common Shares were issued as follows:

Date Issued	Number and Type of Securities	Issue Price / Exercise Price per Security
March 1, 2019	231,402 Common Shares	\$0.3630
April 2, 2019	264,981 Common Shares	\$0.3170
April 3, 2019	282,981 Common Shares	\$0.30
March 17, 2020	5,000,000 Options ⁽¹⁾	\$0.15
May 7, 2020	2,726,317 Common Shares	\$0.08
September 24, 2020	25,000 Common Shares ⁽²⁾	\$0.15
November 9, 2020	11,713,053 Special Warrants	\$0.52
November 9, 2020	585,651 Common Shares ⁽³⁾	\$0.52
November 9, 2020	292,825 CF Fee Warrants ⁽³⁾	\$0.78
November 9, 2020	784,867 Agent's Warrants	\$0.52
December 24, 2020	100,000 Common Shares ⁽²⁾	\$0.15

Note:

(1) Options issued pursuant to the Company's option plan each exercisable to acquire one Common Share at a price of \$0.15 per share for a period of five years from the date of issuance.

(2) Common Shares issued pursuant to the exercise of Options granted on March 17, 2020, at an exercise price of \$0.15 per Common Share.

(3) CF Fee Shares and CF Fee Warrants forming part of CF Fee Units issued in connection with the Offering.

Trading Price and Volume

The Common Shares are listed and posted for trading on the CSE under the symbols "VST". The following table describes the price range and trading volume of the Common Shares on the CSE, as reported by the CSE, for the 12-month period prior to the date of this Prospectus.

Period	Low (\$)	High (\$)	Volume
December 2019	\$0.11	\$0.07	1,148,007
January 2020	\$0.10	\$0.07	875,202
February 2020	\$0.12	\$0.07	1,077,988
March 2020	\$0.10	\$0.07	403,870
April 2020	\$0.09	\$0.07	329,326
May 2020	\$0.10	\$0.09	351,023
June 2020	\$0.25	\$0.09	2,222,818
July 2020	\$0.22	\$0.16	961,046
August 2020	\$1.10	\$0.14	50,298,656
September 2020	\$0.32	\$0.19	61,990,122
October 2020	\$0.27	\$0.125	27,190,452
November 2020	\$0.58	\$0.355	19,408,579
December 1 – 30, 2020	\$0.445	\$0.76	15,130,687

INTEREST OF EXPERTS

Certain legal matters relating to this Offering will be passed upon on behalf of the Company by MLT Aikins LLP, and on behalf of the Agent by DuMoulin Black LLP.

The Company's auditors Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, in Vancouver, British Columbia, report that they are independent from the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

None of the persons listed above received or will receive a direct or indirect interest in any property of the Company or any of its associates or affiliates. As of the date hereof, each of such persons (or in the case of experts who are not individuals, the "designated professionals" of each such person, as defined under Form 51-102F2 – *Annual Information Form*) owns beneficially, directly or indirectly, less than 1% of any outstanding class of securities of the Company and less than 1% of the outstanding securities of any class of the Company's associates or affiliates.

RISK FACTORS

A prospective investor should carefully consider the information described in this Prospectus and the documents incorporated by reference herein. There are certain risks inherent in an investment in the Common Shares and in the activities of the Company and its Subsidiaries, in addition to those risks described under the heading "*Cautionary Statement Regarding Forward-Looking Statements*" and the additional risks described below, which could have a material adverse effect on the value of any investment in the Company and which investors should carefully consider.

For a description of additional risks relating to the Company and its business, see "*Risk Factors*" in the AIF and see "*Financial Risk Management*" and "*Other Risks and Uncertainties*" in the Annual MD&A and the Interim MD&A, each of which are incorporated by reference herein.

The risks and uncertainties set out above and below and incorporated by reference herein are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the risks actually occur, the Company's business, financial condition and operating results could be adversely affected. As a result, the trading price of the

Common Shares could decline and investors could lose part or all of their investment. The Company's business is subject to significant risks and past performance is no guarantee of future performance.

In addition to the risks described above and below and incorporated by reference herein, there are numerous other risk factors, many of which are beyond the Company's control and the effects of which can be difficult to predict, that could cause the Company's results to differ materially from the Company's expectations. Some of these factors are discussed below and others are noted under the heading "*Cautionary Statement Regarding Forward-Looking Statements*" in this Prospectus. Readers are cautioned that the following discussion of risk factors, many of which are beyond the Company's control, is not exhaustive and other factors could also adversely affect the Company's results.

Risks Relating to the Offering

Discretion in the Use of Proceeds

The Company currently intends to allocate the net proceeds received from the Offering as described under the heading "*Use of Proceeds*". However, the Company will have discretion in the actual application of the net proceeds and may elect to allocate proceeds differently than described under the heading "*Use of Proceeds*" if it believes it would be in its best interest to do so. The failure to apply these funds effectively could affect the Company's business.

COVID-19

An emerging risk is a risk not well understood at the current time and for which the impacts on strategy and financial results are difficult to assess or are in the process of being assessed. Since December 31, 2019, the outbreak of the COVID-19 pandemic, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and the Investees in future periods.

Negative Operating Cash Flow

For the nine-month period ended September 30, 2020, the Company experienced negative operating cash flow of \$1,173,110. For the year ended December 31, 2019, the Company experienced negative operating cash flow of \$2,580,925. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash to fund such negative cash flow. If the Company experiences future negative 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 the Company will be able to generate a positive cash flow from its operations, 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.

Market Price of Common Shares

The trading prices of CSE-listed companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada, North America and globally, and market perceptions of the attractiveness of particular industries. The trading price of the Common Shares is also likely to be significantly affected by changes from time to time in the Company and its Investees' operating results, financial condition, liquidity and other internal factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment. The Common Shares may trade at a discount from their book value or at a price that is less than the Offering Price.

No Market for Unit Warrants

The Company has not applied to list the Unit Warrants on the CSE. There is currently no market through which the Unit Warrants may be sold. Accordingly, the holders of the Unit Warrants may not be able to resell the Unit Warrants qualified under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Warrants, and the extent of issuer regulation. Moreover, following the issuance of the Unit Warrants upon the exercise or deemed exercise of the Special Warrants, the market value of the Unit Warrants, if any, is uncertain and there can be no assurance that the market value of the Unit Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Unit Warrants, and consequently, whether it will ever be profitable for holders of the Unit Warrants to exercise the Unit Warrants.

Holders of Special Warrants and Unit Warrants Have no Rights as a Shareholder

Until a holder of Special Warrants or Unit Warrants acquires Unit Shares or UW Shares, respectively, upon the due exercise of Special Warrants or Unit Warrants, such holder will have no rights with respect to the Unit Shares or UW Shares underlying such Special Warrants or Unit Warrants, respectively. Upon due exercise of such Special Warrants or Unit Warrants, such holder will be entitled to exercise the rights of a holder of Common Shares only as to matters for which the record date occurs after the exercise date.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

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

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

The Company has granted to each holder of a Special Warrant a contractual right of rescission. The contractual right of rescission provides that, if a holder of Special Warrants who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the Offering under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Agent or the Company, as the case may be, on the acquisition of the Special Warrant, and
- (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

CERTIFICATE OF THE CORPORATION

Dated: December 31, 2020

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

VICTORY SQUARE TECHNOLOGIES INC.

(Signed) SHAFIN DIAMOND TEJANI
Chief Executive Officer

(Signed) SHERI REMPEL
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) HOWARD BLANK
Director

(Signed) PETER SMYRNIOTIS
Director

CERTIFICATE OF THE AGENT

Dated: December 31, 2020

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

GRAVITAS SECURITIES INC.

(Signed) BLAYNE CREED
Chief Executive Officer