

This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, other than Quebec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities (except in respect of any sales pursuant to an at-the-market distribution, as contemplated in National Instrument 44-102 – Shelf Distributions (“NI 44-102” and each, an “at-the-market distribution”)).

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf 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 under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States of America, its territories and possessions, any State of the United States and the District of Columbia (the “United States”), or to, or for the account or benefit of, a person in the United States unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, a person in the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from LUXXFOLIO Holdings Inc. at 212, 1080 Mainland St., Vancouver, BC V6B 2T4 (Telephone: (604) 398-3837) and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue and Secondary Offering

November 26, 2021



LUXXFOLIO HOLDINGS INC.

\$40,000,000 Common Shares / Preferred Shares / Warrants / Subscription Receipts / Units / Debt Securities

This short form base shelf prospectus (“**Prospectus**”) relates to the offering for sale by LUXXFOLIO Holdings Inc. (the “**Company**”, “**we**”, “**us**” or “**our**”) from time to time, during the 25-month period that this Prospectus, including any amendments hereto, remains effective, of the following securities of the Company in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to \$40,000,000 (or the equivalent thereof in Canadian dollars or one or more foreign currencies or composite currencies): (i) common shares in the capital of the Company (“**Common Shares**”);(ii) preferred shares in the capital of the Company (“**Preferred Shares**”); (iii) warrants (“**Warrants**”) to purchase other Securities (as defined below) of the Company;(iv) subscription receipts (“**Subscription Receipts**”);(v) units (“**Units**”) comprising of one or more of the other Securities; and (vi) debt securities (the “**Debt Securities**” and together with the Common Shares, Preferred Shares, Warrants, Subscription Receipts, and Units, collectively referred to herein as the “**Securities**”). The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (a “**Prospectus Supplement**”).

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the Canadian Securities Exchange or other existing trading markets for the Common Shares. In addition, the Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and the assumption of liabilities.

The Common Shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the trading symbol “LUXX” as well on the OTCQB under “LUXFF”. On November 25, 2021, being the last complete trading day prior to the date hereof, the closing price of the Common Shares on the CSE was \$0.78 and on the OTCQB was \$0.63 USD.

Unless otherwise specified in an applicable Prospectus Supplement, the Securities, other than the Common Shares, (the “Unlisted Securities”) will not be listed on any securities or stock exchange or on any automated dealer quotation system. There is currently no market through which the Unlisted Securities may be sold and purchasers may not be able to resell Unlisted Securities purchased under this Prospectus. This may affect the pricing of the Unlisted Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Unlisted Securities and the extent of issuer regulation. See “Risk Factors”.

Acquiring the Securities may subject prospective investors to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Prospective investors should read the tax discussion in any applicable Prospectus Supplement with respect to any particular offering and consult their own tax advisor with respect to their own particular circumstances.

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

The Company is not making and will not make an offer of Securities in any jurisdiction where the offer or sale is not permitted. This Prospectus constitutes a public offering of Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in such jurisdiction.

All applicable information permitted under securities legislation to be omitted from this Prospectus that has been so omitted will be contained in one or more Prospectus Supplements that will, except in respect of any sales pursuant to an “at-the-market” distribution as contemplated by National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”), be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. You should read this prospectus and any applicable Prospectus Supplement carefully before you invest in any Securities issued pursuant to this Prospectus. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Company. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. The Securities may be sold pursuant to this Prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us. A Prospectus Supplement will set out the names of any underwriters, dealers or agents involved in the sale of Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive from the sale of such Securities, if any, the amounts and prices at which such Securities are sold and the compensation of such underwriters, dealers or agents. See “Plan of Distribution”.

Investment in the Securities being offered is highly speculative and involves significant risks that Prospective investors should consider before purchasing such Securities. Prospective investors should carefully review the risks outlined in this Prospectus (including any Prospectus Supplement) and in the documents incorporated by reference as well as the information under the heading “Cautionary Note Regarding Forward-Looking and Other Statements” and consider such risks and information in connection with an investment in the Securities. See “Risk Factors” for a more complete discussion of these risks.

The specific terms of any Securities offered will be described in a Prospectus Supplement, including, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Preferred Shares, the number of Preferred Shares being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the

conversion of the Preferred Shares into other Securities, the designation, number and terms of such other Securities, and any other specific terms; (iii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iv) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms; and (vi) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations, the nature and priority of any security for the Debt Securities, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions, any arrangements with the trustee for the Debt Securities and any other specific terms. A Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus. Investors should rely only on the information contained in or incorporated by reference into this Prospectus and any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different information. Information contained on the Company's website shall not be deemed to be a part of this Prospectus (including any applicable Prospectus Supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in Securities. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the face page of this Prospectus, the date of any applicable Prospectus Supplement or the date of any documents incorporated by reference herein.

The Company's corporate office and registered and records office is located at 212, 1080 Mainland St., Vancouver, BC V6B 2T4 Canada.

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ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. References to this “Prospectus” include documents incorporated by reference herein. The Company has not authorized anyone to provide any information that is different. The information in or incorporated by reference into this Prospectus is current only as of the date of this Prospectus or the date on the front of such other documents. It should not be assumed that the information contained in this Prospectus is accurate as of any other date. The Company is not making an offer of these Securities in any jurisdiction where the offer is not permitted by law.

Before purchasing any Securities, prospective investors should carefully read both this Prospectus and any accompanying Prospectus Supplement prepared by the Company, together with any additional information described under the heading “*Documents Incorporated by Reference*”.

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to the “Company”, refer to LUXXFOLIO Holdings Inc. together, where context requires, with its subsidiaries and affiliates. The term “management” in this Prospectus means those persons acting, from time to time, in the capacities of executive officers of the Company. Any statements in this Prospectus made by or on behalf of management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

The Company may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings up to an aggregate amount of \$40,000,000. This Prospectus provides a general description of the Securities that the Company may offer. All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of those Securities to which the Prospectus Supplement permits.

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, all dollar amounts are in Canadian dollars and the use of the term “cryptocurrency” and “cryptocurrencies” includes reference to both fungible and non-fungible token and coins.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING AND OTHER STATEMENTS

Certain statements and other information contained or incorporated by reference in this Prospectus constitute forward-looking information under Canadian securities legislation (collectively “**forward-looking statements**”) including, without limitation, statements containing the words “believe,” “may,” “plan,” “will,” “estimate,” “anticipate,” “intend,” “expect,” “predict,” “project,” “potential,” “continue,” “ongoing” or the negative or grammatical variations of these terms or other comparable terminology, although not all forward-looking statements contain these words and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company considering the Company’s experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Such forward-looking statements include, but are not limited to:

- the increasing demand for cryptocurrencies and managed, scalable cryptocurrency infrastructure;
- the increasing demand for regulation of the cryptocurrency industry;
- the Company’s need for additional low voltage infrastructure and power supply at the New Mexico Facility (as defined below);
- the ability to participate in a suitable mining pool;
- the ability to maintain a listing of the Company’s Common Shares on the CSE;
- the Company’s strategy;
- potential sources of funding;
- the Company’s expected expenditures and accumulated deficit level;
- the future price of cryptocurrencies, such as Bitcoin, and the other types of digital assets which the Company and its subsidiaries mine, hold and trade;

- the Company's intended use of net proceeds from the sale of its securities;
- the number of securities the Company intends to issue;
- the future pricing for services and solutions in the businesses of the Company and its subsidiaries;
- the liquidity and market price of the Common Shares;
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- litigation risks;
- currency fluctuations;
- risks related to debt securities being secured;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- the absence of a market through which the Unlisted Securities may be sold;
- the Company's ability to hire and retain skilled staff;
- changes to governmental laws and regulations; and
- effects of the novel coronavirus ("**COVID-19**") pandemic.

Although the Company believes that the plans, intentions and expectations reflected in this forward-looking information are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking information contained in this Prospectus. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed or referred to in the section entitled "Risk Factors" in this Prospectus and in the AIF (as defined below) incorporated by reference herein, and include, without limitation, risks related to: the Company's ability to profitably generate cryptocurrencies; the Company's ability to achieve profitability; future prices of cryptocurrencies; the emerging cryptocurrency and blockchain markets and sectors; the Company's ability to maintain good business relationships; the Company's ability to manage and integrate acquisitions; the Company's ability to obtain financing to support the Company's continued growth; reliance upon the technology, data, and intellectual property of the Company and third parties in the cryptocurrencies and digital asset sector; cybersecurity incidents such as cyber-attacks or theft of digital assets; continued maintenance and development of the Company's cryptocurrency mining facility and blockchain platform; continued growth in usage of the blockchain for various applications; continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks; future demand for and prices of digital currencies and assets; the ability of the Company to obtain required regulatory approvals on a timely basis or at all; adverse changes in relevant laws or regulations; risks and uncertainties associated with the Company's business development; reliance on outside contractors to conduct certain activities; defects in or loss of intellectual property rights; loss of key personnel; and our inability to attract and retain qualified personnel; political, economic and other uncertainties in the jurisdictions where we operate or conduct business activities; risks of obtaining and maintaining other necessary licenses, permits and approvals from various governmental authorities; risks related to compliance with environmental regulations and environmental hazards; fluctuations in foreign currency exchange rates; potential losses, liabilities and damages related to our business which are uninsured or uninsurable; competition with other companies; risks associated with litigation; volatility of global financial conditions; domestic and foreign governmental regulations; taxation, including changes in tax laws and interpretation of tax laws; as well as other risks, uncertainties and other factors beyond our ability to control.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained or incorporated by reference herein are made as of the date of this Prospectus or the date of the document incorporated by reference herein based on the opinions and estimates of management at that time, including the following:

- the price of cryptocurrencies will remain relatively stable
- the hash rate performance of the Company's cryptocurrency mining equipment will remain at current rates

- variable costs associated with power supply to the Company's operations at the New Mexico facility will remain stable and apply to any expansion undertaken at such facility
- the legislative and regulatory environments of the jurisdictions where the Company carries on business will remain materially unchanged
- competition will continue to increase at current rates
- the delivery and installation of the Company's new cryptocurrency mining equipment will be at the price, on the dates and on such other terms as negotiated
- conditions in the financial markets and the economy generally will not be detrimental to the Company being able to raise funds under a Prospectus Supplement
- the Company will be able to obtain additional financing, if and as needed, on satisfactory terms

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except as required by applicable securities laws.

You should rely only on the information contained or incorporated by reference in this Prospectus. The Company has not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Company is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this document may only be accurate as of the date on the front cover of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada.

Copies of the documents incorporated herein by reference may be obtained upon request without charge from the Company at 212, 1080 Mainland St., Vancouver, BC V6B 2T4 (Telephone (604) 398-3837) Attn: Chief Executive Officer or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website, at www.sedar.com.

As of the date hereof, the following documents of the Company, filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada (other than Quebec) are specifically incorporated by reference into, and form an integral part of, this Prospectus provided that such documents are not incorporated by reference 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 the Prospectus, as further described below:

- (a) the Company's annual information form ("**AIF**") dated as at July 12, 2021, for the fiscal year ended August 31, 2020;
- (b) the consolidated audited financial statements of the Company for the fiscal years ended August 31, 2020 and 2019, together with the auditor's report thereon and notes thereto;
- (c) the annual management's discussion and analysis for the fiscal year ended August 31, 2020;
- (d) the Company's unaudited interim condensed consolidated financial statements for the three and nine-months periods ended May 31, 2021 and 2020, and related notes thereto (excluding the notice to reader that such statements have not been reviewed by the Company's auditors);
- (e) the management's discussion and analysis for the three and nine-month periods ended May 31, 2021;
- (f) the material change report dated September 11, 2020, relating to the execution of amendments to the subscription agreements for a tranche of a non-brokered private placement;
- (g) the material change report dated November 3, 2020, relating to the announcement of the closing of the third and fourth tranches of a non-brokered private placement;
- (h) the material change report dated November 24, 2020, relating to the announcement of a non-binding term sheet with Ocean Falls Blockchain Corp. and the closing of the fifth tranche of a non-brokered private placement;

- (i) the material change report dated December 2, 2020, relating to the appointment of Brad Farquhar to the Company's Board of Directors;
- (j) the material change report dated December 3, 2020, relating to the announcement of closing of the sixth and final tranche of a non-brokered private placement;
- (k) the material change report dated December 30, 2020, relating to the announcement of the closing of a non-brokered private placement;
- (l) the material change report dated January 29, 2021, relating to the disclosure regarding a related party's acquisition of a majority participation interest in an asset backed lending facility to which the Company's wholly owned subsidiary is a party;
- (m) the material change report dated February 10, 2021, relating to the Company entering into a binding term sheet with WestBlock Capital Inc.;
- (n) the material change report dated March 10, 2021, relating to the announcement of the closing of the first tranche of a non-brokered private placement, the extension of the expiry date of the binding term sheet with WestBlock Capital Inc, and the termination of the non-binding term sheet with Ocean Falls Blockchain Corp.;
- (o) the material change report dated March 19, 2021, relating to the extension of the expiry date of the binding term sheet with WestBlock Capital Inc.;
- (p) the material change report dated March 29, 2021, relating to the announcement of the closing of the second and final tranche a non-brokered private placement;
- (q) the material change report dated April 8, 2021, relating to the entering into a definitive amalgamation agreement with WestBlock Capital Inc.;
- (r) the material change report dated May 6, 2021, relating to the confirmation of an order for 2400 Bitcoin miners;
- (s) the material change report dated May 28, 2021, relating to the closing of the acquisition of the 2400 Bitcoin miners;
- (t) the material change report dated July 16 , 2021, relating to the acquisition of WestBlock Capital Inc.;
- (u) the material change report dated July 16, 2021, relating to the closing of a non-brokered private placement;
- (v) the material change report dated July 20, 2021, relating to the delivery and installation of bitcoin mining machines;
- (w) the material change report dated August 10, 2021, relating to the purchase of additional bitcoin mining machines;
- (x) the material change report dated August 16, 2021, relating to (i) the appointment of David Gens as a new director of the Company, (ii) the appointment of Kelly Klatik as Chairman, and (iii) the grant of 1,010,000 incentive stock options;
- (y) the material change report dated September 3, 2021, relating to the delivery and installation of bitcoin mining machines;
- (z) the management information circular of the Company dated December 4, 2020 in connection with the annual general meeting of shareholders of the Company held on January 8, 2021;
- (aa) the material change report dated September 23, 2021, relating to the delivery of bitcoin mining machines;
- (bb) the material change report dated October 7, 2021, relating to the appointment of new auditors;
- (cc) the material change report dated October 21, 2021, relating to delivery of bitcoin mining machines and the exercise of share purchase warrants; and
- (dd) the material change report dated October 27, 2021, relating to the order of additional bitcoin mining machines.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), and all other documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference in this Prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of any offering of Securities hereunder shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms of any offering of the Securities will be delivered to purchasers of the Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the offering of the Securities to which that Prospectus Supplement pertains.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such a 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 is not to be deemed an admission 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 will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Rather only such statements as so modified or superseded shall be considered to constitute part of this Prospectus.

Upon the Company's filing of a new annual information form and the related annual financial statements and management's discussion and analysis with applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and management's discussion and analysis and all interim financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Securities under this Prospectus.

Upon interim consolidated financial statements and the accompanying management's discussion and analysis and material change report being filed by the Company with the applicable securities regulatory authorities during the duration of this Prospectus, all interim consolidated financial statements and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of securities under this Prospectus. In addition, upon a new annual information form being filed by the Company with the applicable securities regulatory authorities during the term of this Prospectus for which the related annual comparative consolidated financial statements include at least nine months of financial results of an acquired business for which a business acquisition report was filed by the Company and incorporated by reference into this Prospectus, such a business acquisition report shall no longer be deemed to be incorporated into this Prospectus for the purpose of future offers and sales of the Securities hereunder.

References to the Company's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Company's website into this Prospectus, and we disclaim any such incorporation by reference.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and the applicable Prospectus Supplement(s). Any "template version" of "marketing materials" (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities, and filed by the Company after the date of the Prospectus Supplement for the distribution and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in that Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

ABOUT THE COMPANY

The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that Prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus and the applicable Prospectus Supplement, including under the heading "Risk Factors", as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.

General

The Company was incorporated in the Province of British Columbia on October 10, 2017 under the *Business Corporations Act* (British Columbia) (“**BCBCA**”) under the name “AX1 Capital Corp.” The Company entered into a Security Exchange Agreement dated August 24, 2018 whereby it acquired 100% of the issued and outstanding securities of LUXXFOLIO Network Inc., formerly Blockluxe Network Inc., (“**LNI**”) (the “**Transaction**”). Under the Transaction the Company exchanged, on a 1:1 basis, securities of its own issue for all of the issued and outstanding securities of LNI. The Company’s final long form prospectus dated March 18, 2019 and receipted March 21, 2019 qualified the distribution of the Company’s Common Shares under the Transaction and as a result the Company became a reporting issuer in Alberta, British Columbia, Nova Scotia, and Ontario. On March 26, 2019, the Company changed its name to LUXXFOLIO Holdings Inc. On April 11, 2019, the Transaction closed and LNI became a wholly owned subsidiary of the Company. On May 2, 2019, the Company’s Common Shares were approved for listing on the CSE. On June 14, 2021, the Company completed the acquisition of WestBlock Capital Corp. by way of a three-cornered amalgamation. The resulting amalgamated company, WestBlock Capital Corp. (“**WestBlock**”), is a wholly owned subsidiary of the Company.

The Company’s head office and registered and records office is located at 212, 1080 Mainland St., Vancouver, BC V6B 2T4.

The Common Shares are listed for trading on the CSE under the trading symbol “LUXX” and the OTCQB under “LUXFF”.

Summary Description of the Business

The Company’s business is that of its wholly owned subsidiaries, LNI and WestBlock. LNI is a development-stage financial technology company with a customized blockchain technology (the “Platform”) that it owns and has available for licensing. WestBlock manages a facility operation in New Mexico, USA that hosts third-party owned cryptocurrency miners, most of which mining equipment is owned by LNI.

LNI’s focus regarding the development of the Platform is to enable third parties to authenticate, secure, and track via a highly secure verifiable ledger their digital based assets, contracts and documents or physical based assets (“Uniquely Identified Assets”). The Platform aims to provide a secure and reliable place to track Uniquely Identified Assets and to monetize or securitize these assets.

The two primary use cases that LNI is focusing on with respect to its Platform are:

- Registering the asset provenance of a unique piece of equipment onto the Platform, and having the asset stored by an approved and professionally managed custodian such as a data center, thereby allowing LNI to run a proof of work algorithm to create fungible tokens such as Bitcoin; and
- Authenticating physical collectibles such as memorabilia, vintage cars, or artwork and registering them on the Platform, as well as having the asset stored by an approved and professionally managed custodian, thereby allowing LNI to produce a non-fungible token that can be traded on a marketplace.

While the development of the Platform is complete, LNI’s business pertaining to the use of the Platform has not attained significant levels of activity and remains subject to change. It continues to negotiate with various third parties for expanding its business, but there is no assurance any such negotiations will lead to new business opportunities. In particular, the Company’s proposed expanded use of its Platform with respect to non-fungible tokens remains in the discussion stage of development.

WestBlock manages an industrial scale cryptocurrency mining operation in Shiprock, New Mexico, USA (the “**New Mexico Facility**”) at which the Company manages and operates both its own cryptocurrency miners as well as third party cryptocurrency servers. At present, the vast majority of the miners managed by WestBlock are owned by LNI.

The Company strategy is to become a vertically integrated a digital asset blockchain company that manages, operates, and develops end to end digital solutions to monetize Uniquely Identified Assets and the blockchain ecosystem. As part of this strategic growth, the Company has undertaken the expansions discussed below under Recent Developments.

Further information regarding the Company and its business is set out in the AIF and other publicly filed documents incorporated by reference herein.

Recent Developments

WestBlock Capital Corp.

On June 14, 2021, the Company completed the acquisition of WestBlock Capital Corp. by way of a three-cornered amalgamation, whereby WestBlock became a wholly owned subsidiary of the Company. WestBlock was acquired for aggregate consideration of 16,000,000 common shares and 5,000,000 warrants of the Company, issued to the former shareholders and warrant holders of WestBlock.

WestBlock operates a cryptocurrency mining operation at its New Mexico Facility, at which WestBlock manages and operates both its own cryptocurrency miners as well as third party cryptocurrency servers. Presently, virtually all of the miners managed by WestBlock are owned by LNI. LNI intends to continue to acquire mining hardware, subject to cost and profitability constraints, to ensure that its mining fleet includes efficient hardware and to avoid the need to replace the entire fleet simultaneously in the future. WestBlock's operating and maintenance expenses are comprised of electricity to power its computing equipment as well as cooling and lighting and other aspects of operating computer equipment. Other site expenses include personnel salaries, internet access, equipment maintenance, software optimization, and facility security, maintenance, and management.

WestBlock was able to secure access to land and electricity at a reduced cost in the bottom decile of global power costs for their mining operations through their exclusive partnership with the Navajo Nation. The Company's vision for WestBlock is to scale its low-cost mining operation and develop other cryptocurrency related revenue streams by leveraging supplier relationships, growing its inventory of crypto assets, and by taking advantage of the Company's unique access to structured financial products.

LNI is currently using Slush Pool, a virtual currency mining pool that combines the computational resources of multiple currency miners to optimize returns. Slush Pool uses a unique hash rate proofing that allows their customers to verify the accuracy of their rewards.

LNI holds its cryptocurrencies with third party registered custodians. LNI only transfers its cryptocurrencies to hot storage for the purpose of selling or transferring the cryptocurrencies. Neither LNI nor WestBlock manages or holds cryptocurrencies on behalf of third-party clients that it hosts at the New Mexico Facility and any cryptocurrencies mined from the hosting services are connected directly to the third party client's cryptocurrency wallets.

On August 11, 2021, the Company announced expansion plans for the New Mexico Facility. Currently, the mining facility can draw up to 15 MW of capacity from the substation, which is currently only using 8MW of power. This expansion will see the power usage increase to its full 15 MW potential. The constructions will include additional transformers, buildings, and associated cabling.

In July of 2021, the Company took delivery of 590 Canaan AvalonMiner 1246 Pro 90TH/S Bitcoin miners that it had previously ordered (the "**Canaan Miners**"). By the end of August 2021, substantially all the Canaan Miners were installed and in operation at the New Mexico Facility which is operated and managed by WestBlock. On May 25, 2021, the Company entered into a financing agreement to purchase 2400 Bitmain Antminer S19J Pro (100 TH) Bitcoin miners (the "**Bitmain Miners**"). The Company received and installed 675 Bitmain Miners in September and October 2021. The Company expects the remaining 1,725 Bitmain Miners to be received between December 2021 and Q2 of 2022 and plans to install and operate them at the New Mexico Facility. On July 31, the Company ordered 100 additional Bitmain s19j Pro Bitcoin miners (the "**Additional Bitmain Miners**") which were received and installed in August 2021. On September 2, 2021, the Company signed a term sheet to acquire Isotechnics, a commercial technology services firm in exchange for 550,000 Shares of the Company, subject to a satisfactory due diligence and entering into a definitive agreement. The Company entered into an asset purchase agreement dated September 1, 2021, which was subsequently amended November 24, 2021, to acquire 88 Ethereum miners and 52 ETH coins in exchange for 500,003 Shares of the Company. On October 21, 2021, the Company confirmed an order for an additional 500 Bitmain Miners (the "**Bitmain Miner Order**") with an anticipated delivery date of May 2022. In November 2021, the Company procured an immersion-cooling system that is scheduled to be completed and delivered in 2022.

Listing on OTCQB

On May 19, 2021, the Company's Common Shares commenced trading on the OTCQB under the symbol "LUXFF". It is anticipated that this will provide increased liquidity for shareholders and expanded access to capital for the Company.

Closing of Special Warrant and Unit Offering

On June 30, 2021, the Company closed a non-brokered private placement of special warrants (the "**Special Warrants**") and units (the "**Units**") for total gross proceeds of \$3,006,119 (the "**SWU Offering**"). A total of 8,118,912 Special

Warrants and 470,000 Units were subscribed for and issued at a price of \$0.35 per Special Warrant or Unit under the SWU Offering.

Each Unit was comprised of one Common Share and one non-transferable share purchase warrant of the Company (a "**Unit Warrant**"). Each Unit Warrant is exercisable for a period of 24 months from the date of issue to acquire one Common Share at an exercise price of \$0.45 per share (the "Exercise Price"). If over a period of 20 consecutive trading days, occurring at any time after the date that is 12 months after the issuance of a Unit Warrant, the volume weighted average at market closing price for the Company's Common Shares on the CSE (or such other Canadian exchange as applicable at the time) is above the Exercise Price (the end of such 20 day period being the "Acceleration Event"), then the expiry date of the Unit Warrant may be accelerated by the Company, giving notice to the Unit Warrant holder, to a date not less than the 20th day that immediately follows the Acceleration Event.

The Company's stated uses of the proceeds from the SWU Offering were to finance part of the cost of acquiring Bitcoin miners (as then previously announced), and for general working capital of the Company, LNI and WestBlock. Actual uses of the proceeds were (to the date of this Prospectus) approximately \$107,123 for financing costs, \$2,658,735 toward the cost of new Bitcoin miners, \$59,807 for general expenses of the Company and its subsidiaries, with the balance still in cash.

Each Special Warrant will automatically convert into one Common Share of the Company (an "**Underlying Share**") and one non-transferable share purchase warrant of the Company (an "**Underlying Warrant**") (the Underlying Shares and Underlying Warrants together being the "**Underlying Securities**") upon the earlier of (i) one business day after the Company receives receipt for a final prospectus qualifying the distribution of the Underlying Securities, or (ii) four months and a day from the issuance of the Special Warrant.

The Company plans to file a Prospectus Supplement to qualify the issuance of the Underlying Securities following the issuance of a final receipt by the securities regulatory authorities in the Qualifying Jurisdictions for this Prospectus. A copy of the Prospectus Supplement will be filed on SEDAR with the applicable Qualifying Jurisdictions.

Appointment of New Director

On August 16, 2021 the Company announced the appointment of Mr. David Gens as new independent director of the Company. Mr. Gens is the founder, Chairman, President and CEO of Merchant Growth and Merchant Opportunities Fund, one of Canada's largest fintech lending platforms that provides online financing for small businesses.

China's Restrictions on Cryptocurrencies

In September 2021 China's central bank declared all transactions involving cryptocurrencies such as bitcoin illegal and stepped up a crackdown on illegal mining of them in the country. China has historically been one of the world's largest producers of bitcoin. Two immediate trends noted by the Company were (i) a decrease in the Bitcoin network difficulty rate (as competition from Chinese based miners ceased), and (ii) an increase in the availability of bitcoin miners (as mining operators within China seek to move their operations out of China or simply sell their equipment).

Business Objectives and Milestones

Objectives

The Company's objectives over the next 12 months include (i) expanding its cryptocurrency mining operations at the WestBlock facility, (ii) developing additional uses for its Platform, in conjunction with new business partners, and (iii) developing non-fungible tokens and related business opportunities with new business partners.

Milestones

Certain milestones to be achieved in order to meet the Company's business objectives include (i) expansion of WestBlock's facility from using 8MW of power to 15MW of power, and (ii) negotiating and finalizing agreements for the further development and use of the Company's Platform.

RISK FACTORS

An investment in the Company's securities is speculative and involves a high degree of risk. In addition to the other information included or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, you should carefully consider the risks and uncertainties described in the documents

incorporated by reference in this Prospectus and any applicable Prospectus Supplement, together with all of the other information contained in this Prospectus, before purchasing the Company's securities. The occurrence of any of such risks could have a material adverse effect on our business, financial condition, results of operations and future prospects. In these circumstances, the market price of our securities, including the Common Shares, could decline, and you may lose all or part of your investment. The risks described herein are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Investors should also refer to the other information set forth or incorporated by reference in this Prospectus or any applicable Prospectus Supplement, including our consolidated financial statements and related notes. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described herein. See "Cautionary Note Regarding Forward-Looking and Other Statements."

In particular, you should carefully consider the risks described under the Company's AIF under the heading "*Risk Factors*", and other publicly filed documents which are incorporated herein by reference, as well as the risk factors described under the heading "Risk Factors" in any applicable prospectus supplement. See "Documents Incorporated by Reference".

Risks Related to the Offering of Securities

Market price of Common Shares

The Common Shares are listed and posted for trading on the CSE. An investment in the Securities is highly speculative. The market prices for the securities of companies in the blockchain and cryptocurrency industry, including our own, have historically been highly volatile. The market has from time-to-time experienced significant price and volume fluctuations that are unrelated to the financial performance or prospects of any particular company. In addition, because of the nature of the cryptocurrency industry, certain factors can have an adverse impact on the market price of the Common Shares, such as:

- the Company's announcements and the public's reaction;
- the price of the major cryptocurrencies;
- the Company's financial condition or results of operations as reflected in our quarterly and annual financial statements;
- the Company's operating performance and the performance of competitors and other similar companies;
- government regulations;
- changes in earnings estimates or recommendations by research analysts who track the Securities or securities of other companies in the blockchain and cryptocurrency sector;
- general market conditions;
- announcements relating to litigation;
- the arrival or departure of key personnel; and
- the factors listed under the heading "*Cautionary Note Regarding Forward-Looking Statements*".

Absence of a public market for some of the Securities

There is no public market for the Unlisted Securities and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of any of the Unlisted Securities on any securities exchanges. If any of the Unlisted Securities are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for the Unlisted Securities, or that a trading market for the Unlisted Securities will develop at all.

Future sales of issuance of debt or equity Securities

Given the Company's plans and expectations that additional capital and personnel will be needed, the Company may need to issue additional debt or equity securities. The Company cannot predict the size of future sales and issuances of debt or equity Securities or the effect, if any, that future sales and issuances of debt or equity Securities will have on

the market price of the Common Shares. Sales or issuances of a substantial number of equity Securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity Securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share.

Discretion over use of proceeds

The Company intends to allocate the net proceeds it will receive from an offering as described under "*Use of Proceeds*" in this Prospectus and the applicable Prospectus Supplement. However, the Company will have broad discretion over the use of the net proceeds from an offering by the Company of the Securities. Because of the number and variability of factors that will determine the Company's use of such proceeds, the Company's ultimate use might vary substantially from its planned use. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company. Investors may not agree with how the Company allocates or spends the proceeds from an offering of the Securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Securities, including the market value of the Common Shares, and that may increase its losses.

Liquidity

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the CSE or other public listing exchanges.

Unsecured Debt Securities

The Company carries on its business through corporate subsidiaries, and the majority of its assets are held in corporate subsidiaries. The results of the Company's operations and its ability to service indebtedness, including the Debt Securities, are dependent upon the results of operations of these subsidiaries and the payment of funds by these subsidiaries to the Company in the form of loans, dividends or otherwise. Unless otherwise indicated in the applicable Prospectus Supplement, the Company's subsidiaries will not have an obligation to pay amounts due pursuant to any Debt Securities or to make any funds available for payment on Debt Securities, whether by dividends, interest, loans, advances, or other payments. In addition, the payment of dividends and the making of loans, advances, and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions. Unless otherwise indicated in the applicable Prospectus Supplement, the indenture governing the Company's Debt Securities is not expected to limit the Company's ability or the ability of its subsidiaries to incur indebtedness. Unless otherwise indicated in the applicable Prospectus Supplement, such indebtedness of the Company's subsidiaries would be structurally senior to the Debt Securities. As such, in the event of the liquidation of any subsidiary, the assets of the subsidiary would be used first to repay the obligations of the subsidiary, including indebtedness and trade payables, prior to being used by the Company to pay its indebtedness, including any Debt Securities. See "*Description of Debt Securities*".

Effect of changes in interest rates on Debt Securities

Prevailing interest rates will affect the market price or value of any Debt Securities. The market price or value of any Debt Securities may decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

Effect of fluctuations in foreign currency markets on Debt Securities

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable Prospectus Supplement.

Trading price of Common Shares and volatility

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to several events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their Securities at or above their acquisition cost.

History of negative cash flows

The Company has a history of negative cash flow from operating activities. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

Cryptocurrencies and Blockchain platforms

Cryptocurrencies are speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for cryptocurrencies can change rapidly and are affected by a variety of factors, including regulation and general economic trends. Factors affecting the Company's further growth and development of its cryptocurrency and blockchain platform strategy include, but are not limited to:

- risks and uncertainties associated with the digital currency and blockchain industry;
- occurrence of a Bitcoin halving event;
- reduction in the number of Bitcoin miners and the processing power of the Bitcoin Network;
- the mining operations at the New Mexico Facility being the subject of equipment malfunctions or power outages;
- the potential that the blockchain could be manipulated by a malicious actor and increased competition that adversely affects business;
- the Company's cryptocurrency inventory may be subject to cybersecurity threats, hacks; loss, theft or restriction on access;
- regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of cryptocurrencies in a manner that adversely affects the Company's operations;
- the value of cryptocurrencies may be subject to volatility and momentum pricing risk;
- cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure;
- possibility of less frequent or a cessation of monetization of cryptocurrencies;
- limited history of de-centralized systems;
- cryptocurrency network difficulty and impact of increased global computing power;
- banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment;
- the impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain;
- the Company may be required to sell its inventory of cryptocurrency to pay suppliers or other third parties;
- incorrect or fraudulent cryptocurrency transactions may be irreversible;
- false or inaccurate validations of Unique Identifiable Assets on the Company's platform that results in users distrusting and abandoning the Company's blockchain services;
- if the award of cryptocurrency for solving blocks and transaction fees are not sufficiently high, there may be insufficient incentive for the Company and its third party hosted clients to continue mining operations;
- the price of cryptocurrencies may be affected by the sale of cryptocurrency by others investing in it or tracking cryptocurrency markets;
- mining machines and other related technology become obsolete and it is difficult to obtain new hardware and technology to replace them;
- inability or failure to adopt to technological changes, new products, or standards;
- loss of access to affordable equipment and power.

Additionally, recent events in China where its central bank declared all transactions involving cryptocurrencies such as bitcoin illegal and stepped up a crackdown on mining of them in the country, demonstrate that domestic and international governments can materially influence the cryptocurrency industry. While some countries may adopt cryptocurrency as an approved means of payment or integrate it into their internal means of finance, other countries

may ban cryptocurrencies altogether. This places significant risk as to the future values of each cryptocurrency as well as to the longevity of the industry as a whole. Should China, or other countries, also ban the manufacture of mining equipment, this could lead to shortages of equipment, increased prices, and less favourable business conditions for the Company.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement relating to a specific offering and sale of Securities. Among other potential uses, the Company may use the net proceeds from the sale of Securities: (i) for operational costs relating to its business; (ii) for the acquisition of new equipment or other capital expenditures, including the repayment of debt financing used for such acquisitions or expenditures; (iii) for the acquisition of new intellectual property or other businesses; and (ii) for general corporate and working capital purposes.

The management of the Company will retain broad discretion in allocating the net proceeds of any offering of Securities under this Prospectus and the Company's actual use of the net proceeds will vary depending on its operating and capital needs from time to time. We may also, from time to time, decide to issue Securities otherwise than pursuant to a Prospectus Supplement to this Prospectus. All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers, or agents will be paid out of the proceeds from the sale of such Securities, unless otherwise stated in the applicable Prospectus Supplement.

The Company's working capital deficit as of October 31, 2021 was approximately (\$6,000,000) (deficit of (\$6,595,322) as of August 31, 2021, and deficit of (\$5,244,389) as of May 31, 2021). In addition, the Company estimates its general and administrative costs over the 12 months following the date of this Prospectus will be:

General and Administrative Expenses	
Salaries	\$ 483,000
Shared Services	300,000
Audit and Legal	128,000
Other	220,000
Rent and Office	36,000
Marketing, Business Development, IR & Travel	419,000
	\$ 1,586,000

During the last financial year, the Company recorded losses, negative cash flow from operations and an accumulated deficit. The Company's cash flow from operations may be affected in the future by the investments it makes to continue to develop its products and services. In addition to other uses of net proceeds to be specified in a Prospectus Supplement, to the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of the net proceeds from the sale of Securities to fund such negative cash flow. There can be no assurance that additional capital or other types of financing will be available when need or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The Company may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

CONSOLIDATED CAPITALIZATION

Except as described below, there have been no material changes in the share and debt capital of the Company, on a consolidated basis, since May 31, 2021, being the end of the period of the Company's most recently filed unaudited interim condensed consolidated financial statements incorporated by reference in this Prospectus, other than as follows:

- On June 14, 2021, the Company completed the acquisition of WestBlock for aggregate consideration of 16,000,000 common shares and 5,000,000 warrants of the Company, issued to the former shareholders and warrant holders of WestBlock. Each warrant has a term of 24 months and is exercisable at \$0.40 per share for the first 12 months, and \$0.50 per share thereafter. 2,500,000 of the warrants are subject to a financing

condition such that they cannot be exercised unless an aggregate of \$2 million is raised via an equity financing or series of equity financings undertaken by and for the Company within 12 months from the date of issue of the warrants, otherwise the same will expire;

- On June 23, 2021, the Company issued 117,032 share purchase warrants as compensation for services rendered. Each share purchase warrant has a term of 24 months and is exercisable at \$0.45 per share;
- On June 30, 2021, the Company closed a non-brokered private placement of 8,118,912 special warrants and 470,000 units, issued at \$0.35 per security, for total gross proceeds of \$3,006,119. See “About the Company – Recent Developments” above for details of these financings;
- On July 12, 2021, the Company issued 200,000 share purchase warrants as compensation for services rendered. Each share purchase warrant has a term of 12 months and is exercisable at \$0.30 per share;
- On August 14, 2021, the Company granted 1,010,000 stock options to certain directors, officers, and consultants of the Company. The expiry date of the stock options is August 13, 2026. The stock options vest over 24-months, at a rate of 25% after each six months, and have an exercise price of \$0.42 per share;
- On October 1, 2021, the Company issued 2,172,840 Common Shares on the exercise of share purchase warrants;
- On October 3, 2021, the Company granted 125,000 stock options to a consultant of the Company. The expiry date of the stock options is October 2, 2026. The stock options vest over 24-months, at a rate of 25% after each six months, and have an exercise price of \$0.55 per share;
- On November 1, 2021, the Company issued 8,118,912 Common Shares and 8,118,912 warrants on the conversion of special warrants. Each warrant has a term of 24 months and is exercisable at \$0.45 per share;
- On November 15, 2021, the Company issued 15,000 Common Shares on the exercise of warrants;
- On November 25, 2021, the Company issued 100,000 Common Shares on the exercise of warrants;
- the Company has debt facilities aggregating \$10,944,716 as of August 31, 2021 (\$7,380,463 as of May 31, 2021).

The applicable Prospectus Supplement will describe any material changes, and the effect of such material changes on the share and loan capitalization of the Company that will result.

PRIOR SALES

Information in respect of the Company’s Common Shares that have been issued within the previous twelve-month period, including Common Shares that have been issued upon the exercise of stock options of the Company and Common Share purchase Warrants will be provided as required in a Prospectus Supplement with respect to the issuance of securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the CSE under the symbol “LUXX”. Trading price and volume information for the Securities will be provided as required in each Prospectus Supplement. On May 19, 2021 the Common Shares also commenced trading on the OTCQB Venture Market in the United States under the symbol “LUXXFF”.

EARNINGS COVERAGE

The applicable Prospectus Supplement will include, as required, earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

DESCRIPTION OF SECURITIES

The following is a brief summary of certain general terms and provisions of the Securities as at the date of this Prospectus. The summary does not purport to be complete and is indicative only. The specific terms of any Securities to be offered under this Prospectus, and the extent to which the general terms described in this Prospectus apply to

such Securities, will be set forth in the applicable Prospectus Supplement. Moreover, a Prospectus Supplement relating to a particular offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date hereof, there are 59,822,227 Common Shares issued and outstanding.

In addition, as of the date of this Prospectus, there were: (i) 3,310,000 Common Shares issuable upon the exercise of outstanding stock options of the Company at a weighted average exercise price of \$0.297; (ii) 11,640,944 Common Shares reserved for issuance on exercise of 11,640,944 issued and outstanding Common Share purchase Warrants of the Company for no additional consideration, for a total of 74,773,171 Common Shares on a fully-diluted basis.

All of the Common Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders of the Company (the "**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. Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company, or upon any distribution of the assets of the Company among Shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of the Common Shares are entitled to share equally.

Subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Company, the holders of the Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares.

Any alteration of the rights attached to our Common Shares must be approved by at least two-thirds of the Common Shares voted at a meeting of the Shareholders. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the Company's Articles and in the *Business Corporations Act* (British Columbia).

Common Shares that may be offered under any Prospectus Supplement may also include Common Shares issuable upon conversion of the Company's outstanding Special Warrants and Common Shares held by our existing securityholders.

Preferred Shares

At the Company's annual general meeting held January 8, 2021, Shareholders approved the creation of a new class of preferred shares in the capital of the Company. While management has not yet implemented the resolution to create the preferred shares, the same will have the following characteristics:

- (i) they will be non-voting,
- (ii) they will bear a preferred dividend rate, and will have priority over the Company's Common Shares with respect to the receipt of dividends,
- (iii) they will be convertible into Common Shares,
- (iv) they will have priority over the Company's Common Shares with respect to the distribution of Company assets in the event of liquidation; and
- (v) they may be issued in series, with such rights and restrictions as the Board of Directors may determine by resolution; and that the directors will have the authority to:
 1. determine the maximum number of shares of any of any series of preferred shares, determine that there is no maximum number, or alter any prior determination in relation to a maximum number of such shares, and authorize the alteration of the Company's Notice of Articles accordingly;
 2. alter the Articles, and authorize the alteration of the Notice of Articles, to create an identifying name by which any series of preferred shares may be identified or to alter any identifying name created for such shares;

3. alter the Articles, and authorize the alteration of the Notice of Articles, to attach special rights or restrictions to any series of shares or to alter any special rights or restrictions attached thereto.

The above is a brief summary of certain general terms and provisions of the Preferred Shares that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Preferred Shares as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Preferred Shares, and the extent to which the general terms and provisions described below may apply to such Preferred Shares will be described in the applicable Prospectus Supplement.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Preferred Shares which are not within the parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Preferred Shares described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Preferred Shares.

Description of Debt Securities

In this section describing the Debt Securities, the terms "Company" refers only to LUXXFOLIO Holdings Inc. without any of its subsidiaries.

The following is a brief summary of certain general terms and provisions of the Debt Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Debt Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Debt Securities, and the extent to which the general terms and provisions described below may apply to such Debt Securities will be described in the applicable Prospectus Supplement. The following description is subject to the detailed provisions of any applicable Trust Indenture (defined herein). Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically through SEDAR at www.sedar.com.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this Prospectus. Convertible Debt Securities offered under this Prospectus and any Prospectus Supplement may only be convertible into other securities of the Company.

The Company will deliver, along with this Prospectus, an undertaking to the securities regulatory authority in each of the provinces of Canada (other than Quebec) that the Company will, if any Debt Securities are distributed under this Prospectus and for so long as such Debt Securities are issued and outstanding, file the periodic and timely disclosure of any credit supporter similar to the disclosure required under Section 12.1 of Form 44-101F1.

Any Prospectus Supplement offering guaranteed Debt Securities will comply with the requirements of Item 12 of Form 44-101F1 or the conditions for an exemption from those requirements and will include a certificate from each credit supporter as required by section 21.1 of Form 44-101F1 and section 5.12 of National Instrument 41-101.

The Debt Securities may be issued under one or more indentures (each, a "**Trust Indenture**"), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a "**Trustee**").

The applicable Trust Indenture may not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and may not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable Prospectus Supplement, the Debt Securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture may also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any Prospectus Supplement for Debt Securities will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;

- the price or prices at which the Debt Securities will be issued;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay the principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deducting for Canadian tax purposes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency Units for which Debt Securities may be purchased and the currency or currency Units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the Debt Securities will be issued as Global Securities (defined herein) and, if so, the identity of the Depository (defined herein) for the global securities;
- whether the Debt Securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency Units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other securities of the Company;
- if applicable, any transfer restrictions, as determined by securities laws, or otherwise;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;

- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a Prospectus Supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Debt Securities.

Unless stated otherwise in the applicable Prospectus Supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance, and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable Prospectus Supplement.

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

Original purchasers of Debt Securities which are convertible into or exchangeable for other securities of the Company will be granted a contractual right of rescission against the Company in respect of the purchase and conversion or exchange of such Debt Security. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Debt Security and the amount paid upon conversion or exchange, upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion or exchange takes place within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible or exchangeable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Ranking and Other Indebtedness

Unless otherwise indicated in an applicable Prospectus Supplement, the Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable Prospectus Supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable Prospectus Supplement. The Company reserves the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The board of directors of the Company may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of the Company's other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed and the nature and priority of any Security.

Registration of Debt Securities

Debt Securities in Book Entry Form

Unless otherwise indicated in an applicable Prospectus Supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depository arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the Prospectus Supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (“**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their respective names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder’s interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to properly discharge its responsibilities as Depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt Securities held by the Depository or the book-entry accounts maintained by the Depository; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests; or (iii) any advice or representation made by or with respect to the Depository and contained in this Prospectus or in any Prospectus Supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Participants.

Unless otherwise stated in the applicable Prospectus Supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

Debt Securities in Certificated Form

A series of the Debt Securities may be issued in definitive form, solely as registered Securities, solely as unregistered Securities or as both registered Securities and unregistered Securities. Unless otherwise indicated in the applicable Prospectus Supplement, unregistered Securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable Prospectus Supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable Prospectus Supplement, payment of interest, if any, will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered Securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable Prospectus Supplement, unregistered Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such an event, unregistered Securities surrendered in a permitted exchange for registered Securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable Prospectus Supplement, unregistered Securities will not be issued in exchange for registered Securities. The applicable Prospectus Supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

Description of Warrants

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants. This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant agreement and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Warrant agreement or indenture. Prospective investors should refer to any Warrant indenture or Warrant agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any Warrant indenture or Warrant agreement relating to an offering of Warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered into it, and will be available electronically on SEDAR at www.sedar.com

We may issue Warrants independently or together with other securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Warrants will be issued under one or more Warrant indentures or agreements to be entered into by us and one or more banks or trust companies acting as Warrant agent. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces of Canada (other than Quebec), that it will not distribute Warrants that, according to their terms as described in the applicable Prospectus Supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such Prospectus Supplement containing the specific terms of the Warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of Canada (other than Quebec) where the Warrants will be distributed.

The applicable Prospectus Supplement relating to any Warrants that we offer will describe the particular terms of those Warrants and include specific terms relating to the offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights, or consult with a legal advisor.

Equity Warrants

The particular terms of each issue of equity Warrants will be described in the applicable Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity Warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional Common Shares;
- whether the Company has applied to list the equity Warrants or the underlying Common Shares on a stock exchange;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each Security;

- the date or dates, if any, on or after which the equity Warrants and the related Securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

Debt Warrants

The particular terms of each issue of debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;
- the principal amount and designation of Debt Securities that may be purchased upon exercise of each debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt Warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants;
- whether we have applied to list the debt Warrants or the underlying Debt Securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

Description of Units

The Company may issue Units, which may consist of one or more of Common Shares, Warrants or any other Security specified in the relevant Prospectus Supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the Securities included in the Unit. In addition, the relevant Prospectus Supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the securities comprising the Units will be transferable separately;
- whether we will apply to list the Units or any of the individual securities comprising the Units on any exchange;
- material Canadian income tax consequences of owning the Units, including, how the purchase price paid for the Units will be allocated among the securities comprising the Units; and

- any other material terms or conditions of the Units.

Description of Subscription Receipts

The Company may issue Subscription Receipts separately or in combination with one or more other Securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Common Shares, Preferred Shares, Warrants, Debt Securities or any combination thereof. Subscription Receipts will be issued pursuant to one or more Subscription Receipt agreement (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable Prospectus Supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant Prospectus Supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The following is a brief summary of certain general terms and provisions of the Subscription Receipts that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Subscription Receipts as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such offering of Subscription Receipts, and the extent to which the general terms and provisions described below may apply to such Subscription Receipts will be described in the applicable Prospectus Supplement.

The Prospectus Supplement and the Subscription Receipt Agreement for any Subscription Receipts that we may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Securities to be received by the holders of Subscription Receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met in order for holders of Subscription Receipts to receive, for no additional consideration, the underlying Securities;
- the procedures for the issuance and delivery of the underlying Securities to holders of Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the underlying Securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the underlying Securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this Prospectus, the Prospectus Supplement under which such Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;

- any entitlement of the Company to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether we will issue the Subscription Receipts as Global Securities and, if so, the identity of the Depository for the Global Securities;
- whether we will issue the Subscription Receipts as unregistered bearer securities, as registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the underlying Securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Company will apply to list the Subscription Receipts on any exchange;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipts. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Subscription Receipts upon surrender of the underlying Securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipts under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipts under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described in Section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers in Section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions

The holders of Subscription Receipts will not be, and will not have the rights of, Shareholders. Holders of Subscription Receipts are entitled only to receive other Securities upon exchange of their Subscription Receipts, plus any cash payments, if applicable, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and their pro-rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, Warrants and or Debt Securities may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or a consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the Subscription Receipts without the consent of the holders of the Subscription Receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and

adversely affect the interests of the holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

DIVIDENDS

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the Company, after taking into account a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

PLAN OF DISTRIBUTION

New Issue

The Company may sell the Securities separately or together, to or through underwriters or dealers purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102), and the proceeds to the Company from the sale of the Securities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a reasonable effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

The sale of Common Shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102, including sales made directly on the CSE or other existing trading markets for the Common Shares. Sales of Common Shares under an "at-the-market distribution", if any, will be made pursuant to an accompanying Prospectus Supplement. The volume and timing of any "at-the-market distributions" will be determined at the Company's sole discretion.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Unless otherwise specified in the relevant Prospectus Supplement, in connection with any offering of the Securities, other than an "at-the-market distribution", the underwriters, dealers or agents who participate in the distribution of the Securities may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. No underwriter involved in an "at-the-market distribution", no affiliate of such an underwriter and no person or company acting jointly or in concert with such an underwriter may over-allot Common Shares in connection with the distribution or may effect any other transactions that are intended to stabilize or maintain the market price of the Common Shares in connection with an "at-the-market distribution" including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

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. Unless otherwise specified in the applicable Prospectus Supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Unless otherwise specified in the applicable Prospectus Supplement, the Securities may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States, unless the Securities are registered under the U.S. Securities Act and applicable state securities laws or an exemption

from such registration requirements is available. Each underwriter, dealer and agent who participates in the distribution will agree not to sell or offer to sell or to solicit any offer to buy any Securities within the United States or to, or for the account or benefit of, a person in the United States, except pursuant to an exemption from the registration requirements of 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 in the United States.

Each Prospectus Supplement with respect to the Securities being offered will set forth the terms of the offering, including:

- the person offering the Securities;
- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, the Securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

Secondary Offering

This Prospectus may also, from time to time, relate to the offering of Common Shares by certain selling securityholders. The Prospectus Supplement that we will file in connection with any offering of Common Shares by selling securityholders will include the following information:

- the names of the selling securityholders;
- if the selling securityholder is not an individual, disclosure of the principals of such securityholder;
- the number or amount of Common Shares owned, controlled or directed by each selling securityholder;
- the number or amount of Common Shares being distributed for the account of each selling securityholder;
- the number or amount of securities to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding securities; and
- whether such Common Shares are owned by the selling securityholders both of record and beneficially, of record only or beneficially only.

The selling securityholders may sell all or a portion of the Common Shares beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If Common Shares are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. Common Shares may be sold by the selling securityholders in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, as follows:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the CSE;
- privately negotiated transactions;
- short sales;

- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

If the selling securityholders effect such transactions by selling the Common Shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of our Common Shares for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the Common Shares or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the Common Shares in the course of hedging in positions they assume. The selling securityholders may also sell the Common Shares short and deliver the Common Shares covered by this Prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling securityholders may also loan or pledge the Common Shares to broker-dealers that in turn may sell such Common Shares.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an investor who is a resident or non-resident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

EXPERTS

Unless otherwise specified in a Prospectus Supplement relating to any Securities offered, certain legal matters in connection with the offering of Securities will be passed upon on behalf of the Company's by Owen Bird Law Corporation, Vancouver, British Columbia. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents, as the case may be.

As of the date hereof, the designated professionals of Owen Bird Law Corporation collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

Smythe LLP, Chartered Professional Accountants, as external auditor of the Company's financial statements is independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Smythe LLP, Chartered Professional Accountants with its offices at 1700 – 475 Howe Street, Vancouver, BC V6C 2B3 Canada.

The transfer agent and registrar of the Company is Computershare Investor Services Inc. with its principal offices in Vancouver, British Columbia, Canada and Toronto, Ontario, Canada.

PROMOTERS

No person is, or has acted as, our promoter during the two years immediately preceding the date of this Prospectus.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of securities under an at-the-market distribution by the Company do not have the right to withdraw from an agreement to purchase the securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by such purchaser because the Prospectus, Prospectus Supplement, and any amendment relating to the securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of National Instrument 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation.

Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of securities distributed under an at-the-market distribution by the Company may have against the Company or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus, Prospectus Supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the Prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal adviser.

In an offering of Warrants, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the Prospectus or a Prospectus Supplement (or any amendment thereto) is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the Prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, 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 or territory for the particulars of these rights, or consult with a legal advisor.

In addition, to the extent that we file a Prospectus Supplement to qualify the Underlying Securities issuable upon conversion of the Special Warrants, we will grant to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission will provide that if a holder of a Special Warrant who acquires Underlying Securities 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 private placement transaction 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 Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the 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 COMPANY

Dated: November 26, 2021

This short form base shelf prospectus, together with the documents incorporated in this prospectus 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 each of the provinces and territories of Canada (other than Quebec).

“Dean Linden”

Dean Linden
Chief Executive Officer

“Geoffrey McCord”

Geoffrey McCord
Chief Financial Officer

On Behalf of the Board of Directors:

“Kelly Klatik”

Kelly Klatik

“Anthony Wong”

Anthony Wong