SPACEFY INC.

Form 2A Listing Statement

Date: November 27, 2018 (except as otherwise stated)

This Listing Statement contains the long form final prospectus of Spacefy Inc. (the "**Issuer**" or the "**Company**") dated October 23, 2018 (the "**Prospectus**"). Certain sections of the Canadian Securities Exchange ("**CSE**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Issuer, as required by the CSE. Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Prospectus.

TABLE OF CONCORDANCE

	Information Required by Form 2A Listing Statement	Corresponding Item(s) in the Prospectus	Prospectus Page Number
1.	Table of Contents	Table of Contents	-
2.	Corporate Structure	Corporate Structure	1
3.	General Development of the Business	Business of the Company	1-7
4.	Narrative Description of the Business	Business of the Company	1-7
5.	Selected Consolidated Financial Information	Prospectus Summary – Selected Financial Information Dividends	ix - xi 12
6.	Management's Discussion and Analysis	Management's Discussion and Analysis	12-30
7.	Market for Securities	Not applicable	-
8.	Consolidated Capitalization	Consolidated Capitalization	31-32
9.	Options to Purchase Securities	Options to Purchase Securities	32-33
10.	Description of the Securities	Description of the Securities Distributed	30-31
11.	Escrowed Securities	Escrowed Securities	34-36
12.	Principal Shareholders	Principal Securityholders	36
13.	Directors and Officers	Directors and Executive Officers	37-43
15.	Executive Compensation	Executive Compensation	43-46
16.	Indebtedness of Directors and Executive Officers	Indebtedness of Directors and Executive Officers	47
17.	Risk Factors	Risk Factors	53-63
18.	Promoters	Promoters	63-64
19.	Legal Proceedings	Legal Proceedings and Regulatory Actions	64
20.	Interest of Management and Others in Material Transactions	Interest of Management and Others in Material Transactions	64

SCHEDULE A

FINAL LONG FORM PROSPECTUS DATED OCTOBER 23, 2018

[See attached]

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

PROSPECTUS

INITIAL PUBLIC OFFERING **October 23, 2018**

Spacefy Inc.

$2,002,500 (13,350,000 Units)

Price: $0.15 per Unit

This Prospectus qualifies the minimum and maximum distribution (the "**Offering**") of 13,350,000 units (the "**Units**") of Spacefy Inc. (the "**Company**" or "**Spacefy**") at a price of $0.15 per Unit (the "**Offering Price**") for total gross proceeds to the Company of $2,002,500 (the "**Offering**"). Each Unit consists of one common share in the capital of the Company (a "**Share**") and one share purchase warrant (a "**Warrant**") of the Company. Each Warrant will entitle the holder thereof to purchase one Share (a "**Warrant Share**") of the Company at a price of $0.40 per Warrant Share on a date that is 24 months from the Closing Date (as defined herein) (the "**Warrant Expiry Date**"), after which time the Warrant will be void and of no value. The Units will immediately separate into Shares and Warrants on the Closing Date. The Offering is made pursuant to an agency agreement (the "**Agency Agreement**") dated October 23, 2018 between the Company and Leede Jones Gable Inc. (the "**Agent**"). The Offering Price and the terms of the Offering were determined by negotiation between the Company and the Agent. **In connection with the Offering, the Company may be considered a "connected issuer" within the meaning of National Instrument 33-105 –** ***Underwriting Conflicts*** **("NI 33-105") with the Agent.** The Agent has entered into a Loan Agreement (as defined below) and issued a Promissory Note (as defined below) for a total of $125,000 to the Company. See "*Relationship Between Issuer and Agent*" and "*Related Party Transactions*".

The Offering is subject to a minimum subscription of 13,350,000 Units. Pursuant to securities legislation, unless an amendment to this Prospectus has been filed and the Securities Regulator has issued a receipt for the amendment, the distribution period for the Offering must cease within 90 days after the date of the receipt for this Prospectus, provided that the total distribution period for the Offering must cease on or before the date that is 180 days from the date a receipt is issued for this Prospectus. See "*Plan of Distribution*".

The Company's head office is located at Suite 300, 110 Spadina Avenue, Toronto, ON M5V 2K4.

	Number of Units	**Price to Public ($)**	**Agent's Commission ($)** [1]	**Net Proceeds to the Company ($)** [2]
Per Unit	1	0.15	0.0135	0.1365
Offering	13,350,000	2,002,500	180,225	1,822,275

(1) In consideration of the services provided by the Agent in connection with the Offering, the Company has agreed to pay the Agent a cash commission on the Closing Date equal to 9% of the gross proceeds from the Offering (the "**Agent's Commission**"). In addition, the Company has agreed to issue to the Agent such number of non-transferrable Agent's warrants (the "**Agent's Warrants**") as is equal to 9% of the number of the Units sold pursuant to the Offering. Each Agent's Warrant will entitle the holder to purchase one Share (an "**Agent's Warrant Share**") at a price of $0.15 per Agent's Warrant Share for a period of 24 months

from the Closing Date. The Company has also agreed to pay the Agent a corporate finance fee of $30,000 plus applicable taxes (the “**Corporate Finance Fee**”), of which $15,000 plus applicable taxes has been paid in advance as a non-refundable deposit, and to cover the Agent's out-of-pocket expenses, toward which a $35,000 retainer has been paid. The Agent's Warrants are qualified for distribution by this Prospectus. See “*Plan of Distribution*”.

(2) Before deducting the balance of the estimated expenses of the Offering of $15,750, which consists of the unpaid portion of the Corporate Finance Fee ($15,000 plus applicable taxes) and legal fees and other Offering costs of approximately $120,000 to be paid by the Company from the proceeds of the Offering.

There is no market through which the Shares, Warrants or Warrant Shares may be sold and purchasers may not be able to resell Units, Shares or Warrants purchased under this Prospectus. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Shares. Any investment in the Units is speculative and subject to a number of risks that should be considered by a prospective purchaser including the nature of the Company's business. An investment in these securities should only be made by persons who can afford a total loss of their investment. See “*Risk Factors*”.

Spacefy has received conditional approval to list its Shares on the Canadian Securities Exchange, subject to the Company fulfilling all of the listing requirements of the CSE. See “Plan of Distribution”.

A summary of the compensation options to be granted by the Company on the Closing Date, assuming the minimum Offering is completed, is as follows:

Agent's position	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price ($)
Compensation option	1,201,500 Agent's Warrants (1)	24 months after the Closing Date	0.15 per Agent's Warrant Share
Total securities under option issuable to the Agent	1,201,500 Agent's Warrant Shares	24 months after the Closing Date	0.15 per Agent's Warrant Share

(1) Each Agent's Warrant entitles the holder thereof to purchase one Agent's Warrant Share at a price of $0.15 per Agent's Warrant Share for a period of 24 months from the Closing Date.

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

The Agent, or registered sub-agents who assist the Agent in the distribution of the Units, conditionally offers these securities for sale on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the Agency Agreement (as hereinafter defined), and subject to the approval of certain legal matters on behalf of the Company by Stikeman Keeley Spiegel LLP and on behalf of the Agent by Salley Bowes Harwardt Law Corp. See “*Plan of Distribution*” for further details concerning the Agency Agreement. Subscriptions for the Units offered under this Prospectus will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

All funds raised hereunder will be retained by the Agent to be held in trust until closing of the Offering and subject to receipt of the approval of the CSE and if the Offering is not completed, the Agent will refund the funds to investors without interest or deduction.

No person is authorized by the Company to provide any information or to make any representation in connection with the Offering other than as contained in this Prospectus.

AGENT

Leede Jones Gable Inc.
18th Floor, 1140 West Pender Street
Vancouver, BC V6E 4G1

TABLE OF CONTENTS

GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the Audited Financial Statements may be defined separately and the terms defined below may not be used therein.

Agency Agreement	means the Agency Agreement dated October 23, 2018 between the Company and the Agent.
Agent	means Leede Jones Gable Inc.
Agent's Commission	means the Agent's cash commission equal to 9% of the gross proceeds from the sale of the Units pursuant to the Offering.
Agent's Warrants	means that number of non-transferrable Agent's warrants as is equal to 9% of the number of Units sold by the Agent pursuant to the Offering; each Agent's Warrant entitles the holder thereof to acquire one Agent's Warrant Share at a price of $0.15 per Agent's Warrant Share for a period of 24 months after the Closing Date.
Agent's Warrant Shares	means the Shares to be issued upon the exercise of the Agent's Warrants.
Audited Financial Statements	means the Company's audited financial statements and the related notes thereto for the years ended December 31, 2017 and 2016.
Board of Directors	means the board of directors of the Company.
Closing	means the closing of the Offering.
Closing Date	means the date of Closing.
Corporate Finance Fee	means the Agent's corporate finance fee of $30,000 plus applicable taxes, of which $15,750 is non-refundable and has been paid to the Agent.
Creatives	means any and all individuals and persons that would be interested in renting any of the creative spaces in the Company's inventory for their personal or professional use.
CSE	means the Canadian Securities Exchange.
Effective Date	means the date of the issue of a receipt for this Prospectus by the Securities Regulator.
Escrow Agreement	means the escrow agreement dated October 23, 2018 between the Company, Trustco and the Escrow Holders.
Escrow Holder	means the holder of the Shares subject to the Escrow Agreement.

Escrow Agent means Computershare Investor Services Inc.

Interim Financial Statements means the Company's unaudited financial statements and the related notes thereto for the three and six month periods ended June 30, 2018.

IFRS means International Financial Reporting Standards.

IPO means the initial public offering of the Company.

IPO Date means the date the Shares are listed for trading on the CSE.

Loan Agreement means the unsecured loan agreement dated and entered into on August 3, 2018 between the Company and the Agent in the amount of $125,000.

Magento E-Commerce means an open-source e-commerce platform written in PHP.

MD&A means Management's Discussion and Analysis.

NEO means a Named Executive Officer as further defined herein.

NI 41-101 means National Instrument 41-101 *General Prospectus Requirements*.

NI 52-110 means National Instrument 52-110 *Audit Committees*.

NI 58-101 means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

NP 11-202 means National Policy 11-202 *Process for Prospectus Review in Multiple Jurisdictions*.

NP 46-201 means National Policy 46-201 *Escrow for Initial Public Offerings*.

NP 58-201 means National Policy 58-201 *Corporate Governance Guidelines*.

OBCA means the *Business Corporations Act* (Ontario).

Offering means the distribution of a minimum of 13,350,000 Units at a price of $0.15 per Unit.

Offering Price means $0.15 per Unit.

Preferred Shares means the preferred shares issued by the Company.

Principals means:

(a) a person or company who acted as a promoter of the Company within two years before the IPO Prospectus;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of the IPO Prospectus;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the IPO; or

(d) a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the IPO; and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

Prospectus	means this prospectus dated as of the date on the cover page.
Securities Regulator	means the securities regulator or regulatory authority in each of the Selling Provinces.
SEDAR	means the System for Electronic Document Analysis and Retrieval.
Selling Provinces	means Ontario, British Columbia and Alberta, the three provinces in which this Prospectus has been filed and in which the Offering will be conducted.
Shares	means common shares without par value in the capital of the Company.
Spaces	means the venues and other spaces listed on the Spacefy Platform.
Space Owners	means the parties that desire rental revenue by listing their spaces on the Company's software platform so that they can be rented and used by Creatives.
Spacefy Platform	means the software system whereby Creatives and Space Owners find each other and transact rental agreements.
SpaceRep Program	means a compensation-based program whereby local contractors are compensated for identifying and listing spaces for the Spacefy Platform.
Stock Option Plan	means the stock option plan adopted by the Board on or about June 1, 2015.
Units	means one Share and one Warrant which separate on the Closing Date.
Warrant	means one warrant entitling the holder to purchase one Warrant Share at a price of $0.40 per Warrant Share for a period of 24 months from the Closing Date.
Warrant Shares	means the Shares to be issued upon the exercise of the Warrants.
Trustco	means Computershare Investor Services Inc.

CURRENCY

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

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus are forward-looking statements or information (collectively "**forward-looking statements**"). The Company is providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "anticipates", "is expected to", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the Company.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the Company's control, that could influence actual results include, but are not limited to: a prolonged downturn in general economic conditions; dependency on continued growth in internet and smart phone usage; the ability of the Company to establish a market for its services; competitive conditions in the industry which could prevent the Company from becoming profitable; the effectiveness and efficiency of advertising and promotional expenditures to generate market interest in the Company's services; the inability to list on a public market; volatility of the Company's share price following listing; the inability to secure additional financing; the Company's intention not to pay dividends; claims, lawsuits and other legal proceedings and challenges; conflict of interest with directors and management; and other factors beyond the Company's control.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "*Risk Factors*".

PROSPECTUS SUMMARY

The following summary highlights principal features of the Offering and certain information contained elsewhere in this Prospectus. This summary does not contain all of the information investors should consider before investing in the Units. Investors should read this entire Prospectus carefully, especially the "Risk Factors" section of this Prospectus and the financial statements and related notes appearing elsewhere in this Prospectus, before making an investment decision. Capitalized terms used but not defined in this Prospectus summary are defined elsewhere in this Prospectus.

Spacefy: Spacefy provides an online platform designed to connect Creatives to a broad range of venues and other non-traditional spaces to facilitate their creative projects. By enabling the monetization of residential, commercial and non-traditional spaces, Creatives, from hobbyists and students to seasoned professionals and experienced artists, are all able to find and book suitable venues. Spacefy has two market segments; one for space owners and the other, Creatives. Space owners are venue owners and managers of commercial spaces, professional studios, private residences, galleries, bars, restaurants, banquet halls, theatres, and other venues. Creatives include various levels of amateur and professional photographers, filmmakers, musicians, event planners, and theatre, dance and fitness instructors.

The Company was incorporated under the OBCA on August 25, 2014 under the name ñSpacefy Inc.ò and its head office is located at Suite 300, 110 Spadina Avenue, Toronto, ON M5V 2K4. Spacefyôs revenues are derived from commissions and processing fees charged on the total amount of a successful booking:

- 7.5% commission from space owners on their rental receipts, and
- 7.5% of amounts paid as a processing fee from Creatives.

The Offering: A minimum of 13,350,000 Units at a price of $0.15 per Unit for minimum gross proceeds of $2,002,500. Each Unit is comprised of one Share and one Warrant. Each Warrant will entitle the holder to purchase one Warrant Share at a price of $0.40 per Warrant Share for a period of 24 months from the Closing Date. See ñ*Plan of Distribution*ò.

Agent's Commission: The Agent will receive a cash commission of 9% of the gross proceeds of the Offering on the Closing Date. See ñ*Plan of Distribution*ò.

Agent's Warrants: The Company will issue Agentôs Warrants to the Agent to purchase such number of Agentôs Warrant Shares as is equal to 9% of the number of Units sold under the Offering at an exercise price of $0.15 per Agentôs Warrant Share for 24 months from the Closing Date. The Agentôs Warrants are qualified for distribution under this Prospectus. See ñ*Plan of Distribution*ò.

Corporate Finance Fees: Pursuant to the Agency Agreement, the Company has agreed to pay to the Agent the Corporate Finance Fee of $30,000 plus applicable taxes, of which $15,750 is non-refundable and has been paid to the Agent. The Company has also paid to the Agent a $35,000 retainer towards the Agentôs expenses, including legal costs. See ñ*Plan of Distribution*ò.

Use of Proceeds: The Company will receive gross proceeds of a minimum of $2,002,500 pursuant to the Offering. After deducting the Agentôs Commission of $180,225 and the balance of the Corporate Finance Fee of $15,750 ($15,000 plus applicable taxes), legal fees and other fees related to the offering of $120,000, the Company will have net proceeds of a minimum of $1,686,525. The Company plans to use the net proceeds from the Offering to fund the Companyôs growth strategies as stated in this Prospectus. However, there may be circumstances where for sound business reasons, a reallocation of funds may be necessary. See ñ*Use of Proceeds*ò and ñ*Plan of Distribution*ò.

Risk Factors:

An investment in the Units involves a high degree of risk and should be considered highly speculative. Investors may incur a partial or total loss of their investment. Investors should consult with their professional advisors to assess an investment in the Units.

The business of the Company is subject to a number of risks and uncertainties, as more fully described under ñRisk Factorsò in this Prospectus. These risks, normally encountered in a start-up, could materially and adversely impact the business of the Company, or financial condition or results of operations. The activities of the Company are subject to the risks normally encountered in a start-up business, including: negative cash flow; lack of adequate capital; inexperienced management; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues, and no history of earnings or dividends; competition; economic changes; and uninsured risks.

There is currently no public market for the Units, Shares, or Warrants and there can be no assurance that an active market for the Shares will develop or be sustained after the Offering. The value of the Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. See ñ*Risk Factors*ò.

Summary of Financial Information:

The following selected historical financial information as at and for the years ended December 31, 2016 and 2017 and as at and for the six month period ended June 30, 2018, as summarized in the table below should be read in conjunction with the Audited Financial Statements including the notes thereto and the ñ*Management's Discussion and Analysis*ò included elsewhere in this Prospectus.

Summary Components of Statement of Comprehensive Earnings	For the year ended December 31, 2016 ($) (Audited)	For the year ended December 31, 2017 ($) (Audited)	For the six months ended June 30, 2018 ($) (Unaudited)
Revenues	3,241	3,135	1,524
Expenses	697,380	625,305	370,544
Net Loss and total comprehensive loss	(694,139)	(622,170)	(369,020)
Basic and diluted loss per Share	(0.05)	(0.04)	(0.02)

Summary Components of Statement of Financial Position	December 31, 2016 ($) (Audited)	December 31, 2017 ($) (Audited)	June 30, 2018 ($) (Unaudited)
Current assets	110,994	164,465	183,148
Total assets	187,924	223,897	234,512
Current liabilities	456,978	379,319	348,426
Total liabilities	456,978	467,044	438,648
Working capital deficit	(345,984)	(214,854)	(165,278)
Accumulated deficit	(1,127,559)	(1,749,729)	(2,118,749)

Business Objectives: The Companyõs short-term and medium-term business objectives (6-14 months) are to: (i) complete the Offering; (ii) obtain a listing for the Shares on the CSE; and (iii) initiate its strategic business initiatives (See ñ*Business Objectives and Milestones*ò, ñ*Description of the Business"* and *"Use of Proceeds").*

CORPORATE STRUCTURE

Name, Address and Incorporation

Spacefy was incorporated under the OBCA on August 25, 2014 and its head and registered office is located at Suite 300, 110 Spadina Avenue, Toronto, ON M5V 2K4. Spacefy has no material subsidiaries.

DESCRIPTION OF THE BUSINESS

Overview

Spacefy is an internet-based marketplace for connecting Creatives, which includes a range of people in the creative industries such as photographers, filmmakers, ad agencies and their agents, event planners, musicians and other members of the arts community, with locations to execute their creative projects. Spacefy provides a marketplace where property owners and/or managers (“**Space Owners**”) of venues can showcase their properties complete with detailed descriptions, photographs, and descriptions of various amenities. This marketplace is the Spacefy Platform. On the Platform, individuals or businesses connect with venue owners to find, and book short-term locations listed on the Spacefy platform. These venues include houses and condos, restaurants and bars, professional photography and music studios, vacant retail shops, event venues or farms.

Spacefy matches demand for short-term venue rentals with individuals and businesses that wish to list their residential, commercial or non-traditional space or location on a fee for hire basis.

About the Spacefy Platform

The Company developed an online platform for connecting Creatives with locations to fulfill their creative projects. The Spacefy platform offers Space Owners the opportunity and the tools to list and rent their venues to Creatives. Listing a space on the platform is free.

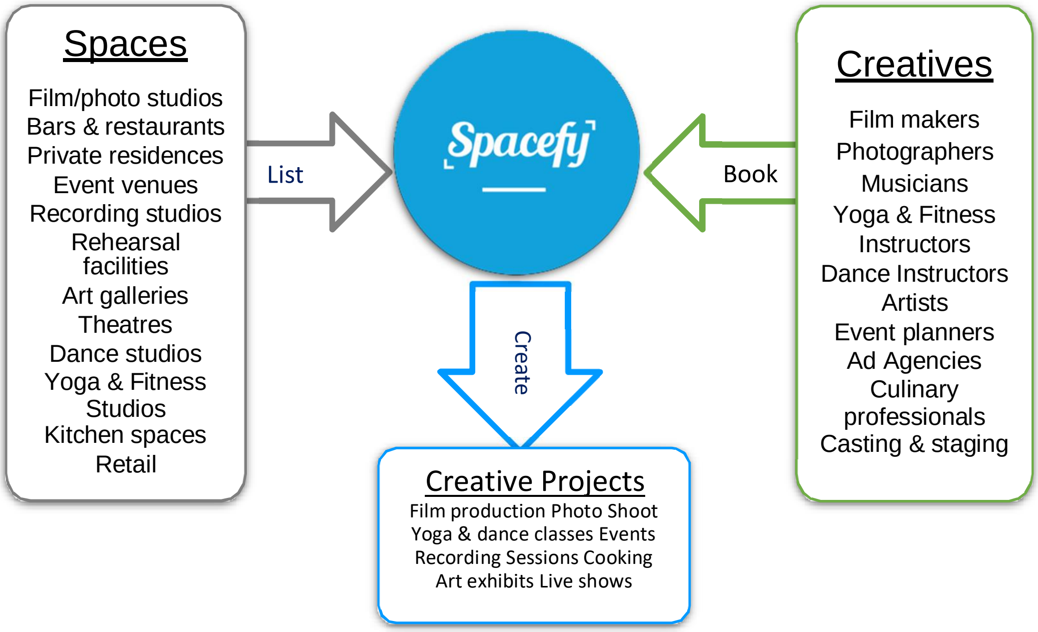
Spacefy provides Creatives with the tools to find suitable spaces for their projects, communicate with Space Owners and complete a booking of the desired space. Spacefy provides a secure payment process through the Paypal Payment Gateway.

Revenue Model

The Company’s revenue model is driven by both segments; Spaces and Creatives.

Creatives browse the listings for a location that fits their creative needs, budgetary requirements, schedule availability and artistic style. Once they find the right Space, they can book, co-ordinate and transact within the Spacefy Platform. Spacefy revenue is derived from a combination of commission fees and processing fees. These fees are charged on the total amount of successful bookings:

- a 7.5% premium on the booking amount is charged to the Creatives booking the space, and
- a 7.5% premium from the booking amount is charged to the Space Owners listing the space. The listing fee is netted out of the booking amount.



The Spacefy Platform enables Creatives to browse for Spaces, connect with hosts and send multiple booking requests. Once a suitable Space is identified, a booking inquiry through the Spacefy platform is sent to the Space Owner with specific dates/hours and a brief description of the proposed work. The Space Owner is notified of the request, can review it and decide whether to accept or decline the booking. If the Space is listed with a set price, Space Owners will only have the option to accept or decline based on the price they initially set. If the Space is listed with a Flex price option, the Space Owners will review and provide a price to the booking party, who may either accept or request a new price from the Space Owner. This back and forth communication between the two parties is complete when they both accept the proposed price.

Spacefy Products and Service

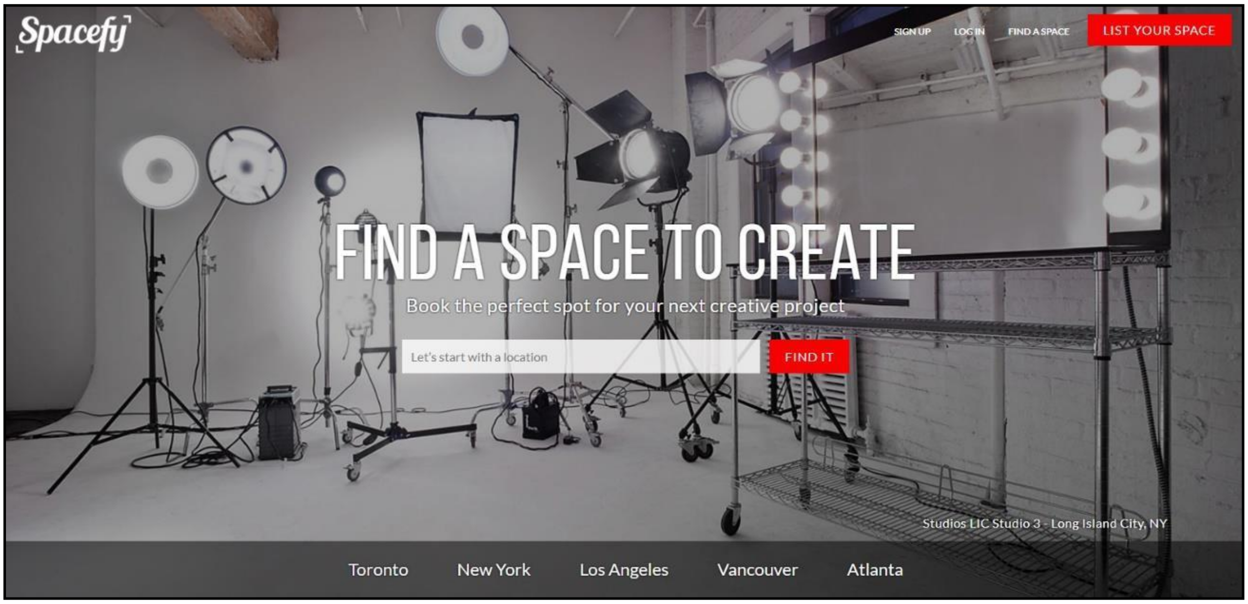
The Spacefy Platform is an online secure platform that was created to handle listing and booking of locations for short-term daily and hourly rentals. It is coded with a fully functional listing and booking platform based on Magento E-commerce Technology. The current site is mobile-responsive so that it can handle being displayed on current mobile & handheld devices.

The Spacefy Platform provides tools and features for either party to manage their profile, bookings, communications and listings. Under the ìMy Listingsò tab, owners can edit their listings, add images, manage their calendar, view bookings and temporarily disable a listing.

Creatives can search Spaces by location and type of space. Thereøs also an advanced search level with additional filters and map view. Once a Creative finds a Space that would meet his or her requirements he or she can request a price from the Space Owner on the space listing page. Spacefyøs ðFlexô tool allows back and forth negotiations between Space Owner and Creator until an offer is accepted or declined. All communications between Creators and Space Owners take place via the Spacefy Platform and users receive notifications and status updates via email.

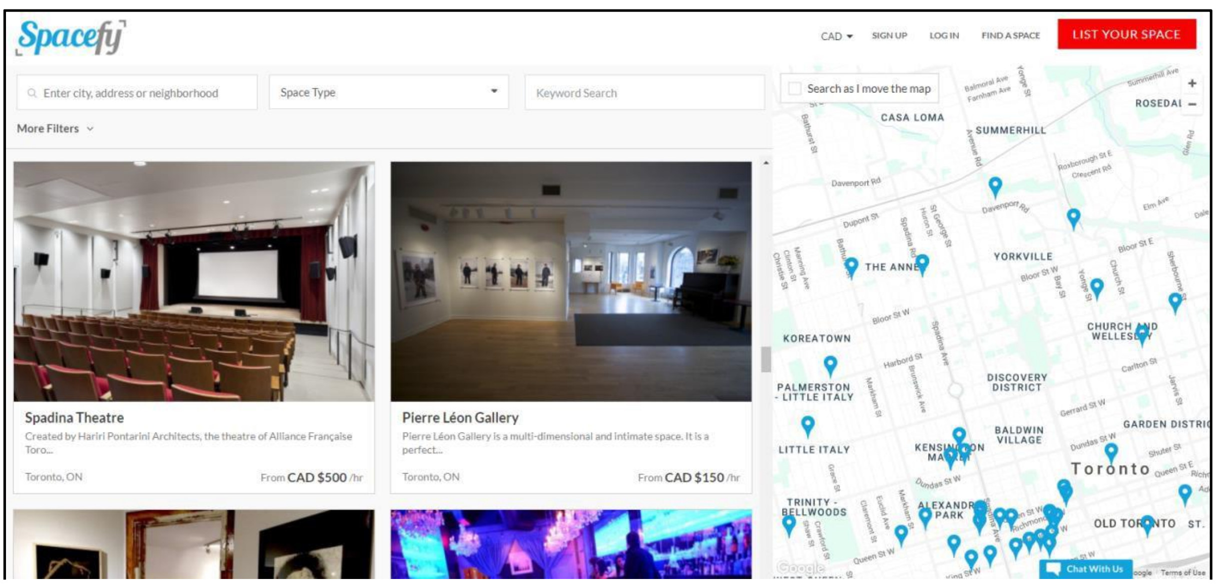
The only requirement for listing a space is a few minutes of a Space Ownerøs time to enter a title, a brief description of the Space, select ðFlexô price (price request) or ðSetô price (set hourly and daily price), available amenities, promotional photos, and service hours. Once the listing is submitted it is reviewed and approved by a Company team member. When it clears the approval process, the listing becomes viewable and available for booking.

Spacefy Home Page



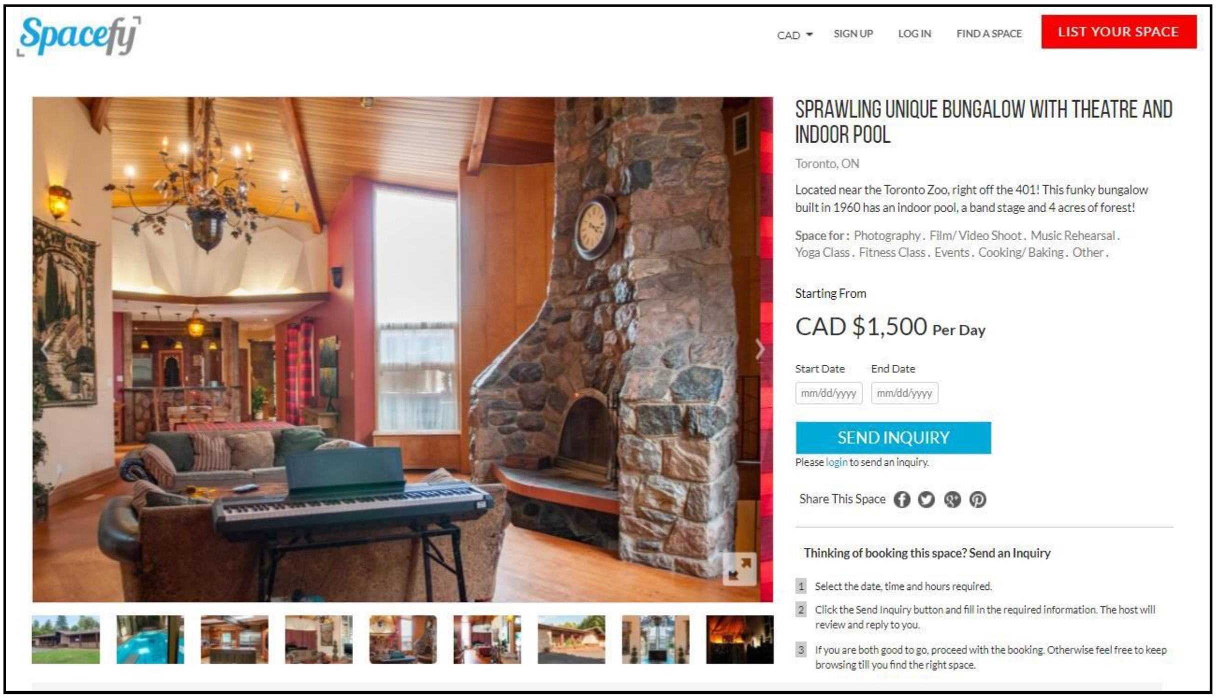
Homepage: *The current focus of the main page is at Creatives. Upon landing on the main page, potential Creatives are asked for the location of their project.*

Spacefy Search Page

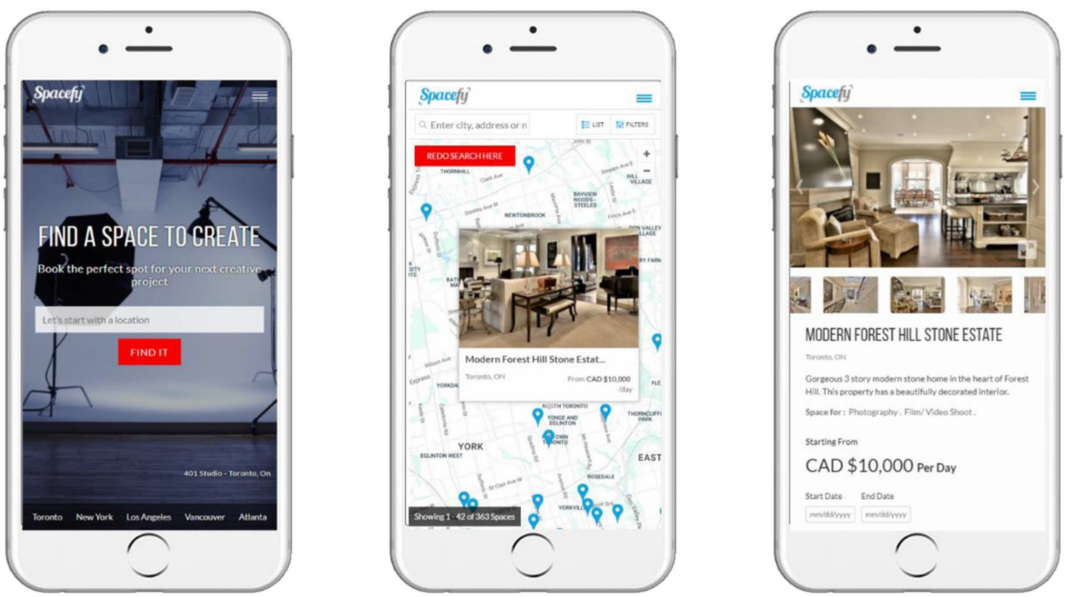


Search Page: *Users can search spaces by location on the map and filter results by type, capacity, size, amenities and keyword.*

Space Listing Page



Listing Page: *Each Listing is populated with full description, photos, amenities, information on the main point of contact and more.*



Mobile Friendly: *The Spacefy Platform is responsive which makes the platform easy to use on mobile devices.*

Technology and Development

The first version of the Platform was developed to meet a minimum viable product standard with basic functionality to only list spaces. Further development enhanced certain listing features so that Space Owners could add a descriptive listing for the spaces and added booking tools for Creatives to find, inquire and book spaces.

However, Spacefy intends to continuously develop and redesign the Platform by improving key features to enhance the user experience and increase conversions. This includes the following:

(i) improvements to the current booking and space listing tools offered on the Platform such as the functionality of the space search page, booking inquiry form, space listing process and the platform messaging and communication tools; and

(ii) additional features to improve the booking and listing experience for Creatives and Space Owners (See “*Use of Proceeds*”).

The Spacefy Platform has been tested rigorously by its developers and a small user group but the Company has not yet promoted it to Creatives so the Spacefy Platform has not been tested under high volume with a wide public user group.

The Company intends to hire and utilize the expertise of additional software engineers to continue developing and upgrading the Platform (See “*Use of Proceeds*”). A total of $275,800 has been allotted over the next 14 months for programming and development costs for these technology upgrades, consisting mainly of consulting fees for software developers and related management costs.

Market and Competitive Conditions

The space sharing industry is highly competitive. Spacefy competes against businesses in varied industries, many of which are larger than Spacefy, have a dominant and secure position in other industries, or offer other goods and services to consumers and merchants which Spacefy does not offer. As online and offline commerce are increasingly converging, the pace of change, innovation and disruption are also increasing. The sharing industry is rapidly changing, highly innovative and increasingly subject to regulatory scrutiny, which may negatively affect the competitive landscape. Spacefy competes against a wide range of businesses with varying roles in the sharing economy.

The following list illustrates certain players that operate in the sharing marketplace as does Spacefy (broken down by market):

- **Travel and Accommodation:** Airbnb, Inc., HomeAway Inc. and Onefinestay
- **Event Space:** Splacer Inc., eVenues, Inc., Eventup, Inc. and Venue Book (InstEvent, Inc.)
- **Office and Workspace**: LiquidSpace, Inc., PivotDesk, LLC., Breather Products Inc, ShareDesk Global Inc. and Hire Space Website Ltd.
- **Creative Space:** Spacefy Inc, Peerspace, Inc., 0971519 B.C. LTD. d/b/a Thisopenspace), Set Scouter Inc. and Space Finder
- **Transportation:** Uber Technologies Inc., Spinlister, LLC, Lyft, Inc., BlaBlaCar, Collaborative Boating, Inc. d/b/a Boatsetter, and Turo Inc.
- **Other:** Appear Here Limited, MakeSpace Labs, Inc., Huntivore and Envato Studios (Envato Pty Ltd., ABN 11 119 159 741)

In the space sharing market there are a few noteworthy competitors including Airbnb for residential or vacation space and ShareDesk for office spaces.

In the creative space market segment, the Company has five main competitors, Peerspace, Inc. from San Francisco, Set Scouter Inc. from Toronto, 0971519 B.C. LTD. d/b/a Thisopenspace from Vancouver, Splacer Inc. which operates in New York and Space Finder which operates independently from different cities. Although each competitor's main focus is in a slightly different product area or geographical location, they still overlap with a number of Spacefy's markets.

Spacefy is focused on the creative community first but management of the Company believes it targets a wider and more diverse market than its main competitors. Spacefy focuses on all types of spaces including commercial, residential, entertainment, outdoor and multi-purpose spaces. In particular, Spacefy looks to utilize spaces that can be used with minimal disruption to the occupiers of the space or business model, providing incremental revenue and becoming their booking platform of choice

Spacefinder**:** Spacefinder primarily targets local art venues such as theatres, galleries and professional studios. Their service is licensed from Fractured Atlas, Inc. and operated by arts organizations as an independent platform in different cities. The majority of their listings are art venues but also include some entertainment venues.

Set Scouter Inc.**:** Set Scouter is focused mostly on residential properties for film and TV shoots. Their business model relies on large productions.

Peerspace, Inc.**:** Peerspace is focused on a variety of areas. Although their main focus is on meetings and off-site functions, Spacefy and Peerspace overlap in listings for spaces for photography and film shoots. Peerspace does not have any presence in Canada at this time.

Thisopenspace**:** The main focus of Thisopenspace is on retail spaces for temporary pop-up shops and brand-centered events. They also carry spaces for production, events and off-site functions.

Splacer Inc.**:** The main focus of Splacer is on spaces for events and mostly market to individuals and businesses planning events. They also market towards film makers and photographers.

Marketing Plan

The Company has two main market segments, Space Owners and Creatives. The approach to marketing the Spacefy Platform is different depending on which segment is being targeted. A brief review of those programs is described below. Spacefy is a relatively new company that has been focused on increasing the number of rentable Spaces in its inventory. Once this inventory is large enough to demonstrate that Spacefy is the dominant marketplace for Space Owners to list, marketing will focus on Creatives to generate rental transactions which will allow Spacefy to begin to generate revenue. Increasing inventory spaces and platform development have been the Company's priority since inception. Management of the Company believes that maximizing revenue generation long-term will follow with a more established brand and more inventory options for creatives.

Spaces are managed by the Space Owner or an appointed property manager. The main message to Space Owners is that if they have underutilized Spaces, they should list those Spaces on the Spacefy Platform for people to book for creative projects. Spacefy also assures owners that they will always have full control over their prices, scheduling, operating hours, cancellation rules, correspondence with Creatives and the ability to approve or deny all bookings.

Since inception, the Company has generated an inventory of over 2,000 venues which are listed on the platform. The Company intends to further grow its inventory of Spaces. Management of the Company believes that the path to value creation is to build an inventory of Spaces. The Company is in the process of building a marketing and sales team for this task.

The Company intends to hire and utilize the expertise of additional out-sourced contractors to generate Space leads in assigned target cities (See *“Use of Proceedsö*). A total of $95,230 has been allotted over the next 14 months toward hiring and managing the outsource teams.

The Company intends to recruit ñSpaceReps,ö commission based sales representatives with the mandate to arrange and encourage listings of new Spaces in their local communities. Compensation for SpaceReps will be based on the number of new listings on the platform and the revenue generated from bookings. Currently, the Company has three active SpaceReps in three cities: Toronto, New York and Atlanta. The Company plans on expanding into other major cities over the next 14 months. The Company has allotted $59,300 over the next 14 months toward the SpaceRep program (See *“Use of Proceeds”*).

The Company also intends to hire a customer experience and support team including customer support agents and city representatives in some key cities. A total of $63,000 has been allotted over the next 14 months toward hiring support personnel.

Other than salaries of existing employees that will be working on Marketing and Business Development, the Company has allotted the remaining $251,520 of the Marketing and Business Development budget to enhance its online, offline and social media initiatives over the next 14 months. This will include paid online advertising, social media campaigns, sponsorships of local industry events, public relations, business development, building the Spacefy brand and content marketing. (See ñ*Use of Proceedsö*).

Intellectual Property

In Europe, Spacefy asserts trademark rights over its intellectual property assets, which include its corporate name, SpacefyÊ, its software, its website and its marketing materials. In Canada, Spacefy maintains permission to use its trademark by the Canadian Intellectual Property Office (ñ**CIPO**ö) and is awaiting final registration which is subject to the development of its mobile application. Spacefyõs trademark in the United States has been filed and is currently suspended subject to its Canadian registration being granted.

Following the planned commercial launch of the Spacefy Platform, the Company intends to implement additional measures to protect its intellectual property on an as needed basis. Such measures may include copyright or trademark registrations in select jurisdictions, or prosecution of infringers on its intellectual property.

Web Domain

Spacey has acquired use of several internet domain names. The Company currently uses *www.spacefy.it*.

In August 2016, the Company was able to purchase the *www.spacefy.com* internet domain address along with *www.spacefy.co.uk*. This adds value to the brand and increases its online presence. Management plans to switch from its current domain name, www.spacefy.it, to the *www.spacefy.com* domain subsequent to Closing with all other domains forwarding to *www.spacefy.com*. (See ñ*Management Discussion and Analysisö*)

Spacefy was able to register the following domains directly from a domain registrar for nominal cost: *www.spacefy.app*, *www.spacefy.ca*, *www.spacefy.club*, *www.spacefy.co*, *www.spacefy.in*, *www.spacefy.info*, *www.spacefy.io*, *www.spacefy.london*, *www.spacefy.me*, *www.spacefy.mobi,* *www.spacefy.net*, *www.spacefy.org*, *www.spacefy.store,* *www.spacefy.tv*, *www.spacefy.website*, *www.spacefy.world*, *www.spacefy.xyz.*

Employees and Consultants

The Company has three employees and one contractor as of the date of this Prospectus. The business of the Company relies heavily on technical computer knowledge for product development and sales and marketing knowledge for business development including social media engagement. The Company's three employees have worked together successfully for more than 8 years, have built Spacefy from inception and they each have strengths in these areas as follows:

Judeh Siwady has extensive experience as a general manager of a television business unit, Talfazat, where he was responsible for product management, content licensing, business operations and oversight of all global marketing initiatives.

Alyas Ali, with his degree in Electrical Engineering, has pertinent experience as a marketing manager and a technical sales lead in the internet based television sector.

Moya Semaan has previous experience as a sales manager for a television network and experience in establishing a network of re-sellers for products in Canada and in the United States.

The Company's contractor, Kyle Appleby brings financial knowledge and experience to the Company in the form of financial reporting, internal controls, governance, operations, regulatory compliance and taxation. He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario.

Two-Year History

Chronology of Significant Events and Milestones

On October 5, 2015 the Company signed a one-year agreement with Engagement Labs Inc. and Engagement Labs Services Inc. (collectively **"EL"**) whereby EL was to perform market awareness programs for the SpaceRep program in return for $59,000 in cash and a total of 1,395,000 Shares representing 10% of the Company. This agreement was later terminated in a Termination and Mutual Release Agreement dated November 1, 2016 which provided for the cancellation of 480,000 of those shares and the refund of $12,161.24.

In January 2016, the Company added improvements to the space booking system including enhancements to the messaging tools between Space Owners and Creatives, PayPal Payment gateway and email notifications.

In April 2016, the Company expanded its space acquisition to cities outside of Toronto including Vancouver, New York, Atlanta and Los Angeles.

On July 26, 2016, the Company's shareholders signed a Letter of Intent (**"LOI"**) to implement a public company reverse take-over to sell all of the issued and outstanding shares of the Company to Avonhurst Capital Corp. (**"Avonhurst"**) in return for a total of 14,141,500 common shares of Avonhurst at a deemed price of $0.25 per share. In amendments to the original agreement on October 15, 2016 and March 15, 2017, Avonhurst agreed to provide $40,000 per month in working capital to the Company. The Company also signed a promissory note with Avonhurst to provide this financing. The closing date of the transaction was to coincide with the date of Avonhurst becoming a reporting issuer, creating a spin-out transaction from Avonhurst's parent, Petro Basin Energy Corp., by way of a statutory plan of arrangement.

The purpose of becoming a reporting issuer in this manner was to facilitate Spacefy's access to public capital markets. During this period, Avonhurst advanced a total of $503,149 in funds for Spacefy's working capital needs. These agreements were subsequently terminated on October 18, 2017 in a letter agreement and the loan was forgiven by Avonhurst on December 28, 2017 in a full and final release agreement in return for the issuance of warrants whereby Avonhurst has the right to acquire a total of 2,500,000 shares of Spacefy at a price of $0.20 per share until December 27, 2019. (See õ*Management's Discussion and Analysis*ö). Avonhurst is a related party to the Company since the Chairman of the Company (Bradley Scharfe), indirectly has beneficial ownership of and control and direction over, voting securities carrying 12.68% of the voting rights attached to the outstanding voting securities of Avonhurst.

In August 2016, the Company was able to purchase the *www.spacefy.com* internet domain address along with *www.spacefy.co.uk*. Management plans to switch from their current address, *www.spacefy.it*, to *www.spacefy.com* subsequent to Closing with all other domains forwarding to *www.spacefy.com* (See õ*Management's Discussion and Analysis*ö).

In October 2016, the Company hired a specialized software development agency to help with platform maintenance, security and enhancements.

In July 2017, a new search page was built and launched with added search features such as map view and Space search filters.

The Company completed a private placement in December 2017, receiving gross proceeds of $36,300 from the sale of Shares. In February 2018, the Company closed a private placement offering of Preferred Shares, receiving gross proceeds of $395,000. The effect of these placements on the Company's share capital is described in õ*Description of the Securities Issued*ö.

USE OF PROCEEDS

Proceeds and Funds Available

The Company estimates that it will receive net proceeds from the Offering of $1,686,525 provided that a minimum of 13,350,000 Units are distributed pursuant to the Offering after deducting the Agent's Commission, the balance of the Corporate Finance Fee, and other Offering expenses payable by the Company.

Source of Funding	Amount ($)
Gross proceeds of offering	2,002,500
Less: Agent's Commission	(180,225)
Corporate Finance Fee	(15,750)
Legal and other expenses	(120,000)
Net proceeds of offering	1,686,525
Approximate working capital as of September 30, 2018	(355,000)
Total funds available	$1,331,525

Principal Purposes

The principal reasons for the Offering are to increase the Company's capitalization and financial flexibility, to increase visibility in the marketplace and to create a public market for the Company's Shares. The Company currently expects to use the net proceeds from this Offering for funding growth strategies, which may include: increasing investment in sales and marketing, research and development, and general and administrative functions as follows:

Å approximately $275,800 software development and Platform maintenance;

Å approximately $712,650 for marketing and business development; and

Å approximately $349,860 for general and administrative expenses including professional fees.

The Company intends to use the total funds available from net proceeds as follows:

Business Objective	Expenditure Item	Estimated Time Period	Allocation of Available Funds Amount if Offering is Raised ($)
Technology and Development	Improve platform UX/UI (User Experience and User Interface)	2 months	$42,150
	Platform revamp and introduction of new features	6 months	$98,350
	Existing employee salaries (1)	14 months	$44,800
	Ongoing platform improvements and maintenance	14 months	$90,500
Marketing and Business Development	SpaceReps program re-launch. Signup new SpaceReps in 6 of the main cities	8 months	$59,300
	Increase size of lead generation team	14 months	$95,230
	Marketing (Online & Offline) targeting potential spaces	14 months	$47,825
	Market and Develop the Spacefy Brand	6 months	$100,565
	Marketing toward Creatives in established cities	14 months	$19,130
	Business Development (Build relations with Spaces, Creatives, strategic partners and potential investors)	14 months	$84,000
	Customer experience & support	14 months	$63,000
	Existing employee salaries (2)	14 months	$243,600
Professional Services	Existing employee salaries (3)	14 months	$45,500
	Accounting services	14 months	$45,000
	Legal	14 months	$54,500
General, Operational and Administrative Expenses	Operations	14 months	$42,000
	Rent and office expenses	14 months	$42,000
	Travel, Meals and Entertainment	14 months	$24,500
	Technology related to operations	14 months	$38,350
	Existing employee salaries (4)	14 months	$33,600
	Other	14 months	$7,370
Unallocated Working Capital	N/A	N/A	$10,255
			$1,331,525

(1) During the 14 month period, $44,800 of Judeh Siwady's salary is allocated to Technology and Development.

(2) During the 14 month period, $33,600 of Judeh Siwady's salary, Moya Semaanós entire $105,000 salary and Alyas Alió entire $105,000 salary is allocated to Marketing and Business Development.

(3) Includes $45,500 in fees to CFO Advantage Inc. for the services of the Companyó CFO, Kyle Appleby.

(4) During the 14 month period, $33,600 of Judeh Siwady's salary is allocated towards General, Operational and Administrative Expenses.

The Company's operations have historically not required significant working capital and the Company has been able to operate, and expects to continue to be able to operate, with the budgeted general and administrative expenditure expected to be raised in the Offering. The Company expects to spend approximately $93,840 per month, on average, over the next 12 months based on the use of proceeds listed above.

Management of the Company anticipates that it will use the net proceeds from the Offering as outlined above, though the actual use of the net proceeds may vary depending upon numerous factors, including operating costs, capital expenditure requirements, and other conditions and factors described under "*Risk Factors*". Accordingly, the Company will retain the discretion to allocate the net proceeds of the Offering and reserves the right to change the allocation of the net proceeds from time to time.

The major operational milestones that the Company expects to achieve, the steps required to achieve these milestones, including the estimated expenditure from inception to the Effective Date and the estimated remaining costs, and the anticipated completion dates are as follows:

Milestone	**Requirements to Achieve Milestone**	**Estimated Costs incurred to Date**	**Estimated Remaining Costs**	**Targeted Completion Date**
Platform augmentation and optimization which includes the introduction of new features and the improvement of the user interface and user experience	• Continue platform improvements while initiating new design and additional platform features. Includes hiring senior full-stack developer and intermediate front-end developer and appointing a design agency to create new platform designs that focus on improving the user experience.	$107,000	$231,000	April, 2019
Re-launch space acquisition campaigns targeting Space Owners	• Introduce SpaceRep program in multiple Canadian and US cities. This will include launching training programs for new SpaceReps. • Increasing the lead generation team to 8 people. • Commencing outbound marketing initiatives to attract Space Owners.	$210,000	$202,355	January, 2019
Launch sales strategy and brand awareness campaigns to acquire Creatives and generate bookings and revenue	• Hire Chief Revenue Officer/Director of Sales. • Initiate campaigns targeting Creatives and other revenue generating users including using social media, search engine optimization, online and offline paid advertising, public relations and other events. • Commence business development activities with potential strategic partners, value added resellers, trade associations and government bodies.	$100,000	$287,695	April, 2019

The net proceeds of the Offering will be held in escrow and released concurrent with the completion of the Offering.

There are no payments of cash, securities or other consideration being made, or to be made, to a related party, promoter, finder or any other person or company in connection with this Offering except as disclosed herein.

DIVIDENDS OR DISTRIBUTIONS

The Company has never declared or paid dividends on its Shares since its incorporation. While there are no restrictions in the Company's articles or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, there are no plans to pay any cash dividends on the Shares in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board of Directors and will depend on the financial condition of the Company, operating results, capital requirements and other conditions or factors that the Board of Directors may deem relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following MD&A should be read in conjunction with the Audited Financial Statements, Interim Financial Statements and the disclosure contained in this Prospectus. The discussion of results covers the fiscal years ended December 31, 2016 and 2017 and the three and six month periods ended June 30, 2018.

The Audited Financial Statements, Interim Financial Statements and the financial data derived therefrom and included in this Prospectus are prepared in accordance with IFRS and are reported in Canadian dollars.

<u>Overview</u>

The Company hosts an online marketplace connecting individuals and businesses in the creative industry to space owners who can provide locations best suited to their project needs. The marketplace provides users with the ability to search for adequate spaces, reserve and book these spaces for use and includes a mapping function along with other filtering tools to help find suitable locations within their geographic region.

Since inception, the Company has been focused on growing its inventory of Spaces while developing the Platform and its service. Management of the Company believes that the path to value creation is to build an initial inventory of Spaces. The Company has been gaining interest from space providers and now has more than 2,000 Spaces listed for rent in its database.

The Company has been listing Spaces mostly by contacting owners of potential Spaces directly through the support of an outsourced lead generation team as well as a few SpaceReps in different cities. The Company plans to expand the size of both the outsource team and the number of SpaceReps, which, in turn, will increase the number of Spaces listed per month and expand the Company's reach to new cities in Canada and United States. The Company has allocated a substantial budget to marketing in its plans for Space acquisitions.

There are plans to enhance the procedure for listing Spaces on the Spacefy Platform by improving and introducing new Platform features for ease of use.

The funds from the Offering will allow the Company to increase its efforts on generating interest and agreements with more space providers, but more importantly the funds will allow the Company to publicize the website interface to drive Creatives traffic and to begin to generate revenue.

The Company has built its online presence with the goal of becoming a resource for both the space owners who want to receive revenue for the use of their spaces and properties, and the space users who desire exceptional spaces and backdrops for their work. To this end, the Company has generated and purchased various intangible assets including its own website and domains along with trademarks.

Acquisition of Assets of TFL Properties

On June 16, 2015, the Company acquired 100% of the assets of Toronto Film Locations (“**TFL Properties**”) from its owner, Birgitte Jorgensen which was comprised of the internet domain name, listing of locations to add to Spacefy’s spaces and a non-compete agreement lasting three years. The Company paid a total of $25,000 and gave Birgitte Jorgensen options to purchase 50,000 Shares of Spacefy at a price of $0.07 per Share until June 16, 2020 with an equal portion of these options vesting at the end of each month for the four years so that all options will be fully vested after 4 years. The purchase agreement also includes a revenue sharing agreement whereby the Company will pay Birgitte Jorgensen a portion of the revenue generated from the list of locations acquired equal to 30% in the first year, 20% in the second year and 10% in the third year.

Acquisition of Assets from Kebran Ventures and WW Inc.

On August 1, 2016, the Company acquired three domain names (*www.spacefy.com*, *www.spacefy.co.uk* and *www.spacefy.uk*) from Bruno Kebran, an individual doing business as Kebran Ventures and WW Inc. (“**Kebran**”) (arms length parties) that Spacefy considered crucial to its future development. The Company paid Kebran a total of $20,000 and granted warrants to purchase 50,000 shares of Spacefy at a price of $0.20 per share until August 2, 2019.

Acquisition of Spacefy Inc. by Avonhurst and Promissory Note (see related party section in this MD&A)

The Company signed various letters of intent, promissory notes and amendments with Avonhurst Capital Corp. (“**Avonhurst**”) for the purpose of having Avonhurst purchase all the outstanding shares of Spacefy coincident with Avonhurst becoming a reporting issuer through a spin-out transaction from its parent, Petro Basin Energy Corp. by way of a statutory plan of arrangement. The purpose of becoming a reporting issuer was to allow Spacefy to access public capital markets to acquire the funds needed to carry out its business plan. During this period, Avonhurst advanced a total of $503,149 in funds for working capital for Spacefy. These agreements were terminated on October 18, 2017 in a letter agreement and the loan was forgiven by Avonhurst on December 28, 2017 in a full and final release agreement in return for the issuance of warrants whereby Avonhurst has the right to acquire a total of 2,500,000 shares of Spacefy at a price of $0.20 each until December 27, 2019. Avonhurst is a related party to the Company since the Chairman of the Company (Bradley Scharfe), indirectly has beneficial ownership of and control and direction over, voting securities carrying 12.68% of the voting rights attached to the outstanding voting securities of Avonhurst.

Going Concern

This MD&A, and the Audited Financial Statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Although the Company believes it will be successful, there is no guarantee the Company will attain its goal of a successful online marketplace. As a result, there is material uncertainly about the Company's ability to continue as a going concern.

The Company has not generated substantial revenue from operations. During the fiscal years ended December 31, 2016 and 2017, the Company incurred operating losses of $694,139 and $622,170 respectively, and as at December 31, 2017, the Company had a deficit of $1,749,729. During the three and six months ended June 30, 2018, the Company incurred operating losses of $164,056 and $369,020 (three and six months ended June 30, 2017 – $121,269 and 353,229), and as at June 30, 2018, the Company had a deficit of $2,118,749. While the Company had a working capital deficit of $165,278 as at June 30, 2018 ($214,854 as at December 31, 2017), the Company expects to incur further operating losses for the foreseeable future in the development of its business and expects that it will require additional financing. The Company's ability to continue as a going concern is dependent upon its ability to develop its business, its ability to obtain the necessary financing to carry out this strategy and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Therefore, this indicates a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

As a result of the above, realization values may be substantially different from the carrying values shown and neither the Audited Financial Statements nor the Interim Financial Statements give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Annual MD&A

Several selected statistics for the fiscal years ended December 31, 2016 and 2017 are as follows:

	Year ended December 31, 2016 ($) (Audited)	**Year ended December 31, 2017 ($) (Audited)**
Revenue	3,241	3,135
Loss and comprehensive loss	(694,139)	(622,170)
Basic and diluted comprehensive loss per Share	(0.05)	(0.04)
Total assets	187,924	223,897
Total liabilities	456,978	467,044

Results of Operations

Revenues

Revenues to date consisting of commissions have not been material as the company has been more focused on acquiring key intangible assets and the development of its online system from a listing platform to a full booking and listing system for use by Spacefy's Creatives. During 2017, the number of spaces in inventory doubled to 2,000 and the Company began to list spaces in other cities in the United States and Canada, however, marketing to Creatives has not commenced yet.

Expenses

Most of the operational expenditures to date have prepared the Company for its upcoming launch to the wide audience of Creatives that it has targeted to rent the spaces in inventory.

Given the scale of the operation that the Company has created, it is ready for further investment in the expansion of the business by targeting Creatives through its integrated marketing program.

A breakdown of the expenses for the years ended December 31, 2017 and 2016 are as follows:

	2017	2016	% change
General and corporate (1)	134,289	111,362	21%
Finance costs (2)	9,209	5,681	62%
Research and development	9,911	23,128	-57%
Sales and marketing (3)	63,860	36,193	76%
Operations and customer support (4)	289,131	221,430	31%
Amortization of intangible assets	17,117	17,117	0%
Depreciation of equipment	381	381	0%
Stock option expense (5)	5,407	18,836	-71%
Share based compensation (6)	96,000	263,252	-64%
	625,305	697,380	-10%

(1) The increase in general and corporate is attributable to the audit, legal fees and other professional fees incurred in pursuing a listing on the CSE, as well as an increase in rent for the year. Other costs such as insurance and administration are in line with the prior year.

(2) Finance costs relate to interest on loans. The increase is due to more loans outstanding throughout 2017 compared to 2016 even though the end-of-year amounts outstanding for those two years reflect otherwise.

(3) Sales and marketing increased as the Company allocated more funds towards web design and marketing such as ads, sponsorships and other such costs to help drive Creatives to it platform.

(4) Increase in operations and support is mainly due to an increase in salaries and personnel required to support operations.

(5) Represents the value of stock options that vested during the period. The timing of this expense is subject to the date of issue and vesting term of the options. The values are derived using the Black Scholes option pricing model in which subjective assumptions are used.

(6) Represents the value of restricted share units granted to senior management and advisors during the year.

Operating expenses at this time are minimal except for consulting fees paid to consultants for services rendered in the organization and early development of the Company. See "*Management's Discussion and Analysis – Related Party Transactions*".

Project Milestones

Milestone	Requirements to Achieve Milestone	Estimate d Costs incurred to Date	Estimated Remaining Costs	Targeted Completio n Date
Platform augmentation and optimization which includes the introduction of new features and the improvement of the user interface and user experience	• Continue platform improvements while initiating new design and additional platform features. Includes hiring senior full-stack developer and intermediate front- end developer and appointing a design agency to create new platform designs that focus on improving the user experience.	$107,000	$231,000	April, 2019
Re-launch space acquisition campaigns targeting Space Owners	• Introduce SpaceRep program in multiple Canadian and US cities. This will include launching training programs for new SpaceReps. • Increasing the lead generation team to 8 people. • Commencing outbound marketing initiatives to attract Space Owners.	$210,000	$202,355	January, 2019
Launch sales strategy and brand awareness campaigns to acquire Creatives and generate bookings and revenue	• Hire Chief Revenue Officer/Director of Sales. • Initiate campaigns targeting Creatives and other revenue generating users including using social media, search engine optimization, online and offline paid advertising, public relations and other events. • Commence business development activities with potential strategic partners, value added resellers, trade associations and government bodies.	$100,000	$287,695	April, 2019

Liquidity and Capital Resources

Year ended December 31, 2017:

During the year ended December 31, 2017 the Company's operating activities required $396,339 in cash. The Company's cash as at December 31, 2017 was $4,675 and the Company had a working capital deficit of $214,854.

Total cash generated by financing activities during 2017 was $427,338. This was comprised of $26,100 in proceeds from private placements, loan advances from Avonhurst of $281,238 and other related party loan advances of $120,000.

Cash outflows from investing activities consisted of $31,100 of proceeds from the Preferred Share financing being held in trust.

On December 31, 2017, the Company closed a private placement financing for gross proceeds of $36,300 through the issuance of 1,815,000 Shares at an issue price of $0.02 per Share.

Subsequent to the year end, the Company closed a private placement financing for gross proceeds of $395,000 through the issuance of 395,000 Preferred Shares at an issue price of $1.00 per share. Each Preferred Share automatically converts into twenty Shares upon the issuance of a receipt by a securities regulator or regulatory authority in Canada qualifying as freely tradeable Shares issuable on exercise of Preferred Shares. As at December 31, 2017, the Company received $5,000 of the total proceeds, which are included in the cash held in trust amount as at year-end. Legal fees of $5,365 were charged and have been recorded as prepaid share issue costs as at year-end.

As of September 30, 2018, the Company had an approximate working capital deficit of $355,000, cash on hand of $17,522 and the cash used in operations for the nine month period ended September 30, 2018 was $531,017.

Year ended December 31, 2016:

During the year ended December 31, 2016 the Company's operating activities required $287,670 in cash. The Company's cash as at December 31, 2016 was $4,776 and the Company had a working capital deficit of $345,984.

Total cash generated by financing activities during the year ended December 31, 2016 was $220,000 which was a loan advance from Avonhurst.

The Company spent a total of $20,000 on investing activities in the year ended December 31, 2016 through the asset purchase from Kebran.

Off-Balance Sheet Arrangements

As of the date of this Prospectus, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2017, the Company's key management personnel consist of its directors and senior management (Chief Executive Officer, Chief Financial Officer, Secretary and Vice-President). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

	Year Ended December 31, 2016 ($) (Audited)	Year Ended December 31, 2017 ($) (Audited)
Management fees and Salaries	181,125 (1)	276,000 (2)
Share Based Compensation (3)	26,800 (4)	60,000 (5)
Stock Based Compensation (6)	16,604 (7)	4,450 (8)

(1) Includes $65,625 paid to Judeh Siwady, the Chief Executive Officer and a director of the Company; $57,750 paid to Alyas Ali, the Secretary of the Company; and $57,750 paid to Moya Semaan, the Vice-President of the Company.

(2) Includes $96,000 paid and accrued to Judeh Siwady, the Chief Executive Officer and a director of the Company; $90,000 paid and accrued to Alyas Ali, the Secretary of the Company; and $90,000 paid and accrued to Moya Semaan, the Vice-President of the Company.

(3) Includes the deemed value of restricted share units granted and vested as compensation to key management personnel.

(4) Includes the deemed value of $6,000 relating to the vesting of 30,000 restricted share units that converted to 30,000 Shares granted to Judeh Siwady, the Chief Executive Officer and a director of the Company; the deemed value of $10,400 relating to the vesting of 52,000 restricted share units that converted to 52,000 Shares granted to Alyas Ali, the Secretary of the Company; and the deemed value of $10,400 relating to the vesting of 52,000 restricted share units that converted to 52,000 Shares granted to Moya Semaan, the Vice-President of the Company.

(5) Includes the deemed value of $30,000 relating to the vesting of 150,000 restricted share units that converted to 150,000 Shares granted to Alyas Ali, the Secretary of the Company; and the deemed value of $30,000 relating to the vesting of 150,000 restricted share units that converted to 150,000 Shares granted to Moya Semaan, the Vice-President of the Company.

(6) Includes the fair value of options granted as compensation to key management personnel.

(7) Includes the fair value of $1,158 relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Alyas Ali, the Secretary of the Company; the fair value of $1,158 relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Moya Semaan, the Vice-President of the Company; and the fair value of $14,287 relating to the vesting of 375,000 options with an expiry date of January 15, 2019 granted to directors of the Company.

(8) Includes the fair value of $1,156 relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Alyas Ali, the Secretary of the Company; the fair value of $1,156 relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Moya Semaan, the Vice-President of the Company; and the fair value of $2,138 relating to the vesting of 75,000 options with an expiry date of February 15, 2020 granted to Damien Lee, a director of the Company.

Loans from related parties:		**2017**		2016
Due to SB2 Group Inc.	**$**	**144,270**	$	146,351
Due to G. Scott Paterson		**61,214**		-
Due to Scharfe Holdings Inc.		**25,304**		-
Due to Brad Scharfe		**36,013**		-
Due to Avonhurst Capital Corp.		**-**		220,000
Loan from related parties	**$**	**266,801**	$	366,351

SB2 Group Inc. (“**SB2**”) is related to the Company since Michael Bradley is a director of both SB2 and the Company. The amount payable of $150,000 in 2017 ($150,000 in 2016) was originally non-interest bearing, unsecured and was due on August 15, 2017. This loan was amended on August 1, 2017 to replace the original repayment date of August 15, 2017. The Amendment includes a fixed principal repayment schedule of thirty monthly installments of $5,000 payable to SB2 commencing January 2018. The repayment

schedule was subsequently amended effective January 1, 2018 to commence the installment payments in September 2018 with the final payment due in February 2021 and further amended effective September 1, 2018 with installment payments to commence 30 days subsequent to the Closing of the Offering. The final payment will be due within 31 months of Closing. All other terms of the original loan agreement were unchanged and no additional costs or fees were incurred on this amendment. The fair value of this financial liability was determined using a 3.25% interest rate over the term period of the loan and repayment. The difference in fair value of loan and cash received has been classified in contributed surplus. Interest expense is being recognized over the term of the loan, utilizing the effective interest rate method.

During the year, the Company paid $30,000 ($10,000 in 2016) in rent to SB2. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. At December 31, 2017, $33,183 ($8,508 in 2016) owing to SB2 was included in accounts payable and accrued liabilities.

On October 4, 2017, the Company issued a $35,000 promissory note to G. Scott Paterson, a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $1,013.

On December 6, 2017, the Company issued an additional $25,000 promissory note to G. Scott Paterson. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $201.

On November 24, 2017, the Company issued a $25,000 promissory note to Scharfe Holdings Inc. Scharfe Holdings Inc. is a company wholly owned by Bradley Scharfe, a director, shareholder, and Chairman of the Board of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $304.

On October 4, 2017, the Company issued a $35,000 promissory note to Bradley Scharfe. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $1,013.

Avonhurst is a related party to the Company since the Chairman of the Company (Bradley Scharfe), indirectly has beneficial ownership of and control and direction over voting securities carrying 12.68% of the voting rights attached to the outstanding voting securities of Avonhurst. On June 17, 2016, the Company signed a promissory note with Avonhurst to provide financing of up to $260,000 to the Company. The Company has received $220,000 of financing for working capital as of December 31, 2016 ($nil in 2015). As per the terms of the promissory note, the Company is liable to pay interest on this loan at 0.5% per annum of which $373 has been accrued in 2016 ($nil in 2015). The principal amount of the loan is unsecured.

On July 26, 2016, the Company signed a Letter of Intent (“**LOI**”) to sell all of the issued and outstanding Shares of the Company to Avonhurst. The transaction values the Company at $3,535,375 made up of approximately 14,141,500 common shares of Avonhurst at a deemed price of $0.25 per share and warrants exercisable for a period of 24 months at a price of $0.40 per share. The LOI was subsequently amended on October 15, 2016 to terminate on the earlier of March 15, 2017 or if Avonhurst fails to provide $40,000 per month in working capital for the Company as per the terms of the promissory note. On October 18, 2017, the LOI was terminated.

In December 2017, the Company settled its indebtedness to Avonhurst in the amount of $501,239 (being the full amount of principal and interest owing to Avonhurst) with the issuance of 2,500,000 common share purchase warrants. Each common share purchase warrant is exercisable into one Share at an exercise price of $0.20 for a period of 24 months. The warrants were assigned a total value of $nil using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.68%; expected volatility 38.70%; expected dividend yield of 0% and an expected life of two years. The issuance of the shares resulted in a gain on settlement of debt in the amount of $503,149 based on the fair market value on the date of issuance. The gain was deemed to be a capital transaction and therefore was recorded in contributed surplus.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made by management during their preparation. The Company's accounting policies are described in Note 3 to the Audited Financial Statements.

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

i. Development phase of internally generated intangible assets

The classification of costs for internally generated intangible assets into the research and development phase is subject to judgment. Refer to Note 3d in the Company's Audited Financial Statements for accounting policy for intangible assets.

ii. Impairment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Judgment is required in establishing whether there are indicators of impairment related to these assets such as changes in market price, the extent or manner in which it is being used or in its physical condition, operations and business environment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

iii. Determination of fair values using option pricing models

The Company measures the cost of equity-settled transactions consisting of share purchase options and warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

iv. Acquisitions

The assessment of whether an acquisition constitutes a business is subject to judgement and requires the

Company to review whether the acquired operations contain all three elements of a business including inputs, processes and the ability to create output. The measurement of identifiable assets acquired and liabilities assumed at fair value, and contingent consideration, on the date of acquisition is subject to management estimation.

v. Determination of the fair value for the loan from related party

The Company recognizes the loan from SB2 initially at fair value and it is considered Level 3 in the fair value hierarchy for financial instruments. The valuation model considered the present value of expected payments, discounted using a risk-adjusted discount rate. The significant unobservable input used is the risk-adjusted discount rate of 3.25% that reflects the credit risk of the counterparty.

Financial Instruments and Risk Management

The Company’s objective is to have sufficient working capital to maintain financial flexibility and to sustain the future development of the Company. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its capital spending to manage current and projected cash requirements. To assess its financial strength, the Company continually monitors its cash balances and working capital. In the management of capital, the Company includes the components of shareholders’ equity as well as cash and cash equivalents.

The Company’s share capital is not subject to any external restrictions as of the date of this Prospectus.

There were no changes to the Company’s approach to capital management during the fiscal years ended December 31, 2016 or 2017.

The Company's financial instruments consist of cash, amounts receivable, accounts payable and short-term loan. The fair values of these financial instruments approximate their carrying values due to the short-term nature of the instruments or their cash value.

The Company may be exposed to a variety of financial risks by virtue of its activities including currency, credit, and liquidity.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company’s financial liabilities are comprised of accounts payable and accrued liabilities and loans from related parties.

(b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Management does not believe there is any significant credit risk from any of the Company's customers as orders are only processed after payment is received. The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. To manage cash credit risk, the Company only engages banks with appropriate credit ratings.

(c) Currency risk

The Company generates all revenue in Canadian dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks.

Disclosure of Outstanding Security Data

As of the date of this Prospectus, the Company's share capital consisted of two classes of shares, the Shares and the Preferred Shares.

There are 16,139,833 Shares issued and outstanding and 395,000 Preferred Shares outstanding.

Each Preferred Share will convert to 20 Shares on the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada.

Upon the closing of the Offering, the Company expects to issue 13,350,000 Shares and the following securities convertible into Shares:

- 13,350,000 Warrants each exercisable into one Warrant Share at a price of $0.40 per Warrant Share for a period of 24 months from the Closing Date; and

- 1,201,500 Agent's Warrants entitling the Agent to purchase Agent's Warrant Shares exercisable at a price of $0.15 per Agent's Warrant Share for a period of 24 months from the Closing Date.

Additional Disclosure for Junior Issuers

The Company expects that the net proceeds from the Offering of $1,686,525 will fund the Company's operations for the next 14 months and that this amount represents the minimum necessary to allow the Company to achieve its stated business objectives during that time. See "*Use of Proceeds – Principal Purposes*" for detailed information concerning the Company's anticipated expenses for the 14 month period following the Closing Date. The Company does not anticipate making any material capital expenditures during that time.

<u>Three and Six Months Ended June 30, 2018</u>

Results of Operations

Revenues

Revenues to date consisting of commissions have not been material as the Company has been more focused on acquiring key intangible assets and the development of its online system from a listing platform to a full booking and listing system for use by Spacefy's Creatives.

Expenses

Most of the operational expenditures for the quarter have been directed towards the pursuit of listing on a stock exchange and for the Companyős upcoming launch to the wide audience of Creatives that it has targeted to rent the spaces in inventory.

Given the scale of the operation that the Company has created, it is ready for further investment in the expansion of the business on the retail side by targeting Creatives through its integrated marketing program.

A breakdown of the expenses for three and six months ended June 30, 2018 and 2017 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
EXPENSES				
General and administrative (1)	**29,977**	21,787	**115,942**	47,105
Finance costs (2)	**7,307**	1,887	**14,504**	3,650
Research and development	**2,730**	4,971	**2,730**	8,686
Sales and marketing (3)	**22,491**	12,930	**36,903**	36,989
Operations and customer support (4)	**96,923**	74,529	**190,654**	148,195
Amortization of intangible assets	**4,264**	4,279	**8,543**	8,558
Depreciation of equipment	**96**	95	**190**	190
Stock option expense (5)	**539**	1,053	**1,078**	4,328
Share based compensation (6)	**-**	-	**-**	96,000
	164,327	121,531	**370,544**	353,701

(1) The increase in general and administrative is attributable to the legal and audit fees incurred with respect to working towards listing the Company on the CSE. There were no such expenses in the prior periods.

(2) Finance costs relate to interest on loans. The increase is due to more loans outstanding throughout Q1 and Q2 2018 compared to the prior periods.

(3) While the total sales and marketing expense remained consistent during the six months ended June 30, 2018 compared to the six months ended June 30, 2017, the Company increased expenditure in this area in Q2 (compared to Q1 2018) in anticipation of completing the Offering.

(4) The increase in operations payroll is attributable to consultants used during Q1 and Q2 2018 to help with operations and to assist with applying for listing on the CSE.

(5) Represents the value of stock options that vested during the period. The timing of this expense is subject to the date of issue and vesting term of the options. The values are derived using the Black Scholes option pricing model in which subjective assumptions are used.

(6) Represents the value of restricted stock units granted to senior management and advisors during Q1 2017.

Operating expenses at this time are minimal except for consulting fees paid to consultants for services rendered in the organization and early development of the Company. See ñ*Management's Discussion and Analysis – Related Party Transactions*ò.

Summary of Quarterly Results

The following table sets out selected quarterly information for the most recent 8 fiscal quarters:

	Q3 ended September 30, 2016 $	Q4 ended December 31, 2016 $	Q1 ended March 31, 2017 $	Q2 ended June 30, 2017 $
Revenue	168	703	210	262
Earnings (Loss)	(216,804)	(132,857)	(231,960)	(121,269)
Net Loss per Share	(0.02)	(0.01)	(0.02)	(0.01)
Shares Outstanding	14,141,500	13,661,500	14,141,500	14,141,500

	Q3 ended September 30, 2017 $	Q4 ended December 31, 2017 $	Q1 ended March 31, 2018 $	Q2 ended June 30, 2018 $
Revenue	424	2,339	1,252	272
Earnings (Loss)	(104,984)	(163,957)	(204,965)	(164,056)
Net Gain (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)
Shares Outstanding	14,141,500	14,141,500	15,956,500	15,956,500

The Company is in the startup phase of operations so most expenses in previous 8 quarters pertained to consulting fees and professional fees for services relating to the startup of the Company, the building of the product offering and for working towards listing on the CSE. Other notable expenses involved marketing as part of the process of building the product offering involves building an inventory of spaces through marketing to the public.

Overall operating loss in the most recent quarters has increased as the Company is focused on the process of listing its shares on the CSE and the Offering so that it can acquire sufficient capital to continue building its operations, enhance its offering and begin to market its platform to Creatives.

Liquidity and Capital Resources

During the six months ended June 30, 2018, the Company's operating activities required $406,709 in cash compared to $224,761 for the six months ended June 30, 2017. The main reason for the increase in cash used in operations was an increase in loss, a decrease in accounts payable of $21,131, and an increase in prepaid expenses of $45,385 (due to a prepayment of a finance fee for funds being raised for the Offering). The Company's cash as at June 30, 2018 was $9,436 (December 31, 2017 - $4,675) and the Company had a working capital deficit of $165,278 (December 31, 2017 - $214,854).

The total cash generated from the financing activities during the six months ended June 30, 2018 was $383,035 in proceeds from the private placement of Preferred Shares net of costs of $6,965. During the six months ended June 30, 2017, cash generated from financing activities was $226,239 from loan advances from Avonhurst.

During the six months ended June 30, 2018 the Company also had used funds held in trust of $29,100 which has been included in cash from investing activities.

As of September 30, 2018, the Company had an approximate working capital deficit of $355,000, cash on hand of $17,522 and the cash used in operations for the nine month period ended September 30, 2018 was $531,017.

Off-Balance Sheet Arrangements

As of the date of this Prospectus, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of June 30, 2018, the Company's key management personnel consist of its directors and senior management (Chief Executive Officer, Chief Financial Officer, Secretary and Vice-President). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

	Three months ended June 30,		Six months ended June 30,	
Nature of Transactions	**2018**	2017	**2018**	2017
Management fees and salaries	(1)**$ 78,000**	(1)$ 61,550	(2)$ **148,500**	(2)$ 135,410
Stock based compensation (3) (4) (5)(6)	**539**	1,054	**1,078**	100,329
	$ 78,539	$ 62,604	**$ 149,578**	$ 235,739

(1) Includes $24,000 (2017 - $21,410) paid to Judeh Siwady, the Chief Executive Officer and a director of the Company; $22,500 (2017 - $20,070) paid to Alyas Ali, the Secretary of the Company; $22,500 (2017 - $20,070) paid to Moya Semaan, the Vice-President of the Company, and $9,000 (2017 - $nil) charged by CFO Advantage Inc., a company wholly owned by the Chief Financial Officer.

(2) Includes $48,000 (2017 - $47,102) paid to Judeh Siwady, the Chief Executive Officer and a director of the Company; $45,000 (2017 - $44,154) paid to Alyas Ali, the Secretary of the Company; $45,000 (2017 - $44,154) paid to Moya Semaan, the Vice-President of the Company, and $10,500 (2017 - $nil) charged by CFO Advantage Inc., a company wholly owned by the Chief Financial Officer, for his services to the Company.

(3) Includes the deemed value of restricted share units granted and vested as compensation to key management personnel.

(4) Includes the deemed value of $nil (2017 - $30,000) relating to the vesting of 150,000 restricted stock units that converted to 150,000 Shares granted to Alyas Ali, the Secretary of the Company; and the deemed value of $nil (2017 - $30,000) relating to the vesting of 150,000 restricted stock units that converted to 150,000 Shares granted to Moya Semaan, the Vice-President of the Company.

(5) Includes the fair value of options granted as compensation to key management personnel.

(6) Includes the fair value of $539 (2017 - $540) relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Alyas Ali, the Secretary of the Company; the fair value of $539 (2017 - $540) relating to the vesting of 185,000 options with an expiry date of June 15, 2020 granted to Moya Semaan, the Vice-President of the Company, and the fair value of nil (2017 - $2,138) relating to the vesting of 75,000 options with an expiry date of February 15, 2020 granted to Damien Lee, a director of the Company.

Loans from related parties:		**June 30, 2018**		December 31, 2017
Due to SB2 Group Inc.	**$**	**127,756**	$	144,270
Due to G. Scott Paterson		**64,764**		61,214
Due to Scharfe Holdings Inc.		**26,784**		25,304
Due to Bradley Scharfe		**38,083**		36,013
Loan from related parties		**257,387**		266,801

SB2 is related to the Company since Michael Bradley is a director of both SB2 and the Company. The amount payable of $150,000 was originally non-interest bearing, unsecured and was due on August 15, 2017. This loan was amended on August 1, 2017 to replace the original repayment date of August 15, 2017. The Amendment includes a fixed principal repayment schedule of thirty monthly installments of $5,000 payable to SB2 commencing January 2018. The repayment schedule was subsequently amended effective January 1, 2018 to commence the installment payments in September 2018 with the final payment due in February 2021 and further amended effective September 1, 2018 with installment payments to commence 30 days subsequent to the Closing of the Offering. The final payment will be due within 31 months of Closing. All other terms of the original loan agreement were unchanged and no additional costs or fees were incurred on these amendments. The fair value of this financial liability was determined using a 12% (2017 ï 3.25%) interest rate over the term period of the loan and repayment. The difference in fair value of loan and cash received has been classified in contributed surplus. Interest expense is being recognized over the term of the loan, utilizing the effective interest rate method.

During the six months ended June 30, 2018, the Company was charged $15,650 ($15,000 during the six months ended June 30, 2017) in rent to SB2 Group Inc. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. At June 30, 2018, $2,500 ($33,183 on December 31, 2017) owing to SB2 Group Inc. was included in accounts payable and accrued liabilities.

On October 4, 2017, the Company issued a $35,000 promissory note to G. Scott Paterson, a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $3,083 (December 31, 2017 - $1,013).

On December 6, 2017, the Company issued an additional $25,000 promissory note to G. Scott Paterson. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $1,681 (December 31, 2017 - $201).

Subsequent to the end of the second quarter, on October 5, 2018, the Company issued an additional $15,000 promissory note to G. Scott Paterson. The promissory note bears interest of 12% per annum and is due on demand. If the Company does not repay the principal and interest when demanded, interest will be calculated on the unpaid balance from that point forward at 18% per annum.

On November 24, 2017, the Company issued a $25,000 promissory note to Scharfe Holdings Inc. Scharfe Holdings Inc. is owned by a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of
$1,784 (December 31, 2017 - $304).

On October 4, 2017, the Company issued a $35,000 promissory note to Bradley Scharfe, a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $3,083 (December 31, 2017 -$1,013).

Subsequent to the end of the second quarter, on October 5, 2018, the Company issued an additional $15,000 promissory note to Scharfe Holdings Inc. The promissory note bears interest of 12% per annum and is due on demand. If the Company does not repay the principal and interest when demanded, interest will be calculated on the unpaid balance from that point forward at 18% per annum.

Avonhurst Capital Corp. is related to the Company since the Chairman of the Company (Bradley Scharfe) indirectly has beneficial ownership of and control and direction over voting securities carrying 12.7% of the voting rights attached to the outstanding securities of Avonhurst Capital Corp. On June 17, 2016, the Company signed a promissory note with Avonhurst Capital Corp. to provide financing of up to $260,000 to the Company. The Company received $220,000 of financing for working capital as of December 31, 2016.

As per the terms of the promissory note, the Company was liable to pay interest on this loan at 0.5% per annum of which $516 and $921 had been accrued for the three and six months ended June 30, 2017. The principal amount of the loan was unsecured.

On July 26, 2016, the Company signed a Letter of Intent ("LOI") to sell all of the issued and outstanding Shares of the Company to Avonhurst Capital Corp. The transaction valued the Company at $3,535,375 made up of approximately 14,141,500 common shares of Avonhurst Capital Corp at a deemed price of $0.25 per share and Warrants exercisable for a period of 24 months at a price of $0.40 per share. The LOI was subsequently amended on October 15, 2016 to terminate on the earlier of March 15, 2017 or if Avonhurst Capital Corp. fails to provide $40,000 per month in working capital for the Company as per the terms of the promissory note. On October 18, 2017, the LOI was terminated.

In December 2017, the Company settled $503,149 (being the full amount of principal and interest owing to Avonhurst) with the issuance of 2,500,000 common share purchase warrants. Each common share purchase warrant is exercisable into one Share at an exercise price of $0.20 for a period of 24 months. The warrants were assigned a total value of $nil using the Black Scholes option pricing model using the assumptions noted in Note 11(e). The issuance of the Shares resulted in a gain on settlement of debt in the amount of $503,149 based on the fair market value on the date of issuance. The gain was deemed to be a capital transaction and therefore was recorded in contributed surplus due to the shareholders of the Company owning 53.96% of Avonhurst Capital Corp’s shares at December 31, 2017 (50.16% - 2016).

Subsequent to the end of the second quarter, on August 3, 2018 the Company entered into a Loan Agreement and issued a Promissory Note for a total of $125,000 to the Agent in return for a short-term loan which has been advanced to the Company. The Company issued a total of 183,333 Shares to the Agent at a deemed price of $0.15 per share for a total payment of $27,500 representing bonus and administrative fees related fees for this loan. The loan carries an interest rate of 10% per year calculated annually, payable on repayment of the loan and can be repaid in Shares at a deemed price of $0.15 per Share at the Agent’s option. The loan is repayable on the date that is the earlier of August 3, 2019 or the date that the Shares of the Company are listed on the CSE. The Company is a connected issuer to the Agent by virtue of this loan. See “*Relationship Between Issuer and Agent*.”

Critical Accounting Estimates

The Company’s financial statements are impacted by the accounting policies used, and the estimates and assumptions made by management during their preparation. The Company’s accounting policies are described in Note 3 to the Audited Financial Statements. The accounting estimates are considered to be significant to the Company and are above in the Management’s Discussion and Analysis for the year ended December 31, 2017.

Financial Instruments and Risk Management

The Company’s objective is to have sufficient working capital to maintain financial flexibility and to sustain the future development of the Company. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its capital spending to manage current and projected cash requirements. To assess its financial strength, the Company continually monitors its cash balances and working capital. In the management of capital, the Company includes the components of shareholder's equity as well as cash and cash equivalents.

The Company's share capital is not subject to any external restrictions as of the date of this Prospectus.

There were no changes to the Company's approach to capital management during the three and six months ended June 30, 2018.

The Company's financial instruments consist of cash, amounts receivable, prepaid expenses, accounts payable, deferred revenue and short-term loan. The fair values of these financial instruments approximate their carrying values due to the short-term nature of the instruments or their cash value.

The Company may be exposed to a variety of financial risks by virtue of its activities including currency, credit, and liquidity.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company's financial liabilities are comprised of accounts payable and accrued liabilities and loans from related parties.

(e) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Management does not believe there is any significant credit risk from any of the Company's customers as orders are only processed after payment is received. The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. To manage cash credit risk, the Company only engages banks with appropriate credit ratings.

(c) Currency risk

The Company generates all revenue in Canadian dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks.

New Accounting Policies

IFRS 2, Share-Based Payment:

In June 2016, IFRS 2 was amended with "Amendment to IFRS 2 – Classification and Measurement of Share Based Payment Transactions." These amendments address the classification and measurement of share-based payment transactions for a number of situations where existing guidance is not clear. The amendments were applied with an effective date of January 1, 2018 with no impact to the Interim Condensed Financial Statements.

IFRS 9, Financial Instruments:

In July 2014, the IASB issued IFRS 9 which replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model where the basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset.

The standard is effective for annual periods beginning on or after January 1, 2018. Under the transitional provisions, management has opted to retain prior figures as reported under the previous standards, recognizing the cumulative effect, if any, of applying IFRS 9 as an adjustment to the opening balance of equity as at the date of initial application.

Upon adoption of the new standard, the classification of loans and receivables no longer exists and all financial assets classified as loans and receivables, including cash, cash held in trust and accounts and other receivables, have been classified as financial assets at amortized cost. The Company’s financial liabilities also continue to be classified as financial liabilities at amortized cost.

The impact of applying IFRS 9, including the adoption of the “expected loss” impairment model, was determined to be insignificant. Accordingly, no adjustments were considered necessary to the unaudited Interim Condensed Financial Statements as a result of adopting IFRS 9 with an effective date of January 1, 2018.

IFRS 15, Revenue from Contracts with Customers:

In May 2014, the IASB issued IFRS 15 which supersedes existing standards and interpretations including IAS 18, Revenue and IFRIC 13, Customer Loyalty Programs. IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs such as IAS 17, Leases. This Standard requires revenue to be recognized in a method that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services.

This standard is effective for annual periods beginning on or after January 1, 2018 and is required to be applied retrospectively to all contracts that are not complete on the date of initial application. Under the transitional provisions, management has opted to retain prior figures as reported under the previous standards, recognizing the cumulative effect, if any, of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. Upon adoption of the new standard, the Company identified the following area as being affected by the new standard:

- Under the Rental Commissions segment, management has reviewed the contracts to identify distinct performance obligations and whether each identified obligation is satisfied over time or at a point in time. Prior to the adoption of IFRS 15, revenue from contracts in the Rental Commissions segment was measured at a point of time, being at the time of completion of the rental terms under contract. Management has assessed the impact of the timing of recognition of distinct performance obligations and concluded that the contracts under the Rental Commissions segment is recognized at the time of completion of the contract which is when the Company has satisfied its performance obligations.

Accordingly, no adjustments were made to the unaudited Interim Condensed Financial Statements as a result of adopting IFRS 15 with an effective date of January 1, 2018.

New Standards and Interpretations Not Yet Adopted

The IASB and International Financial Reporting Interpretations Committee (“IFRIC”) have issued several new and revised standards and interpretations which are not yet effective for the period ended March 31, 2018 and have not been applied in preparing these Condensed Interim Financial Statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

Disclosure of Outstanding Security Data

As of the date of this Prospectus, the Company's share capital consisted of two classes of shares, the Shares and the Preferred Shares.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The authorized share capital of the Company consists of two classes of securities, the Shares, and the Preferred Shares. The Shares and the Preferred Shares have the attributes, rights and restrictions described below.

Common Shares

The Company is authorized to issue an unlimited number of Shares without par value, of which 16,139,833 are issued and outstanding as of the date hereof as fully paid and non-assessable. The Company is seeking to sell and distribute a minimum of 13,350,000 Shares through the Offering. These Shares are being sold as a component of Units which are being offered in the Offering.

The Shares are not subject to any call or assessment, do not have any pre-emptive, conversion or redemption rights, and have equal voting rights. There are no special rights or restrictions of any nature attached to the Shares, all of which rank equally as to benefits that may accrue to the holders thereof. All holders of Shares are entitled to receive a notice of any meeting of the shareholders of the Company and have one vote for each Share held. Voting rights may be exercised in person or by proxy. Holders of Shares are entitled to receive such dividends in any financial year as the Board of Directors may declare. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Shares are entitled to receive, ratably in proportion to their ownership interest, the remaining assets of the Company.

There are no transfer restrictions on the Shares other than those Shares held by current shareholders. Those Shares contain transfer restrictions such that current shareholders are not entitled to transfer any Share without the approval of the directors of the Company expressed by resolution passed by the votes cast by a majority of the directors of the Company at a meeting of the Board of Directors or signed by all of the directors of the Company. These transfer restrictions are removed pro rata as follows:

- 1/3 of the transfer restrictions on current issued and outstanding Shares are removed pro rata to the existing holders of such Shares, four (4) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada;
- An additional 1/3 of the transfer restrictions on current issued and outstanding Shares are removed pro rata to the existing holders of such Shares eight (8) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada; and
- An additional 1/3 of the transfer restrictions on current issued and outstanding Shares are

removed pro rata to the existing holders of such Shares twelve (12) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada.

No other series of common or preferred shares of the Company authorized for issuance are subject to transfer restrictions.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares without par value, of which 395,000 are issued and outstanding as of the date hereof as fully paid and non-assessable. The Preferred Shares will automatically convert to Shares at a rate of twenty new Shares for each Preferred Share issued and outstanding for a total of 7,900,000 new Shares on the date of issuance by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada.

The Preferred Shares are not subject to any call or assessment, do not have any pre-emptive or redemption rights, and have no voting rights. There are no special rights or restrictions of any nature attached to the Preferred Shares, all of which rank ahead of Shares with regard to dividends. Voting rights may be exercised in person or by proxy. Holders of Preferred Shares are entitled to receive such dividends in any financial year as the Board of Directors may declare. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Preferred Shares are entitled to receive, ratably in proportion to their ownership interest, the remaining assets of the Company.

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at June 30, 2018	Outstanding as at the Effective Date of this Prospectus	Outstanding after giving effect to the Offering
Common Shares	Unlimited	15,956,500	24,039,833	37,389,833
Preferred Shares	Unlimited	395,000	0	0
Share Capital	N/A	$1,308,747	$1,336,247	$3,156,522

The table below sets out the details of the issued and outstanding Shares and Warrants following completion of the Offering.

Common Shares	Offering	
	Number of Shares	Percentage of Total
Issued and outstanding at the Effective Date (1)	24,039,833	41.3
Shares reserved for issuance at the Effective Date of this Prospectus (2)	6,262,500	10.8
Shares reserved for issuance at the Closing	13,350,000	22.9

Shares reserved for issuance upon exercise of the Warrants	13,350,000	22.9
Agent’s Warrant Shares reserved for issuance upon exercise of the Agent’s Warrants	1,201,500	2.1
Total fully diluted Share capitalization after the Offering	58,203,833	100

(1) Includes 7,900,000 Shares issuable upon conversion of outstanding Preferred Shares.

(2) Comprised of 5,162,500 common share purchase warrants and 1,100,000 stock options (See “*Options and Other Rights to Purchase Securities*”).

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Stock Option Plan

The Board has adopted a Stock Option Plan whereby the number of shares reserved for issuance and which will be available for purchase pursuant to options granted under the plan will not exceed ten percent of the issued and outstanding Shares, from time to time. Under the terms of the Stock Option Plan, options may be granted to: (i) key employees, officers, directors, and consultants; and (ii) employees, directors, and consultants of an affiliate of the Company pursuant to the direction and in the sole discretion of the Board of Directors.

The exercise price of any option when exercised may not be less than the greater of the closing market price of the Shares on: (a) the last trading day immediately preceding the date of grant of the option; and the date of grant of the option; provided however, that if the Shares are not listed on any securities exchange, the exercise price may not be less than the fair market value of the Shares as may be determined by the Board on the day immediately preceding the date of the grant of such option.

The options are non-assignable and non-transferable. Options granted under the Stock Option Plan have a maximum term of five years and can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within 90 days (or as otherwise determined by the Board) after ceasing to be an eligible optionee, or, if the optionee dies, within 180 days from the date of the optionee’s death.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time.

The following table summarizes the allocation of the options granted from June 1, 2015 (date of adoption of Stock Option Plan) to the Effective Date:

Optionee	**Number of Options**	**Exercise Price ($)**	**Expiry Date**
Directors only	450,000 (1)	0.25	(2)
Officers	370,000 (3)	0.07	June 15, 2020
Consultants and Employees	280,000 (4)	0.07	(5)

(1) 375,000 of these options were granted on January 15, 2016 and the remaining 75,000 options were granted on February

15, 2017. All of these options vested on the date of grant.

(2) 375,000 of these options expire on January 15, 2019 and the remaining 75,000 options expire on February 15, 2020.

(3) These options were granted on June 15, 2015 and are subject to a vesting schedule whereby 1/48 of the options vest at the end of each month.

(4) 230,000 of these options were granted on June 15, 2015 and are subject to a vesting schedule whereby 1/24 of the options vest at the end of each month and the remaining 50,000 of these options were granted on June 16, 2015 and are subject to a vesting schedule whereby 1/48 of the options vest at the end of each month.

(5) 230,000 of these options expire on June 15, 2018 and the remaining 50,000 of these options expire on June 16, 2020.

Restricted Share Unit Plan

The Board has adopted a restricted share unit plan whereby the board of directors at their discretion may grant equity-based incentives to senior officers, directors, employees and consultants of the Company. The maximum number of shares reserved for issuance under the plan is currently 900,000, of which none are currently outstanding.

Restricted share units granted under the plan are evidenced by a written agreement and are notional Shares without any of the attendant rights of a shareholder of Shares including the right to vote or the right to receive dividends. On the third anniversary of the grant of the restricted share units unless an earlier date has been established by the Board of Directors, restricted share units may be redeemed, at the discretion of the Board of Directors, for one Share or for cash equal to the fair market value of a Share.

The restricted share units are non-assignable and non-transferable. The restricted share unit plan provides for automatic redemption in the case of a change of control, adjustments at the discretion of the Board of Directors in the event of a reorganization of the Company's capital structure and provides for partial or full redemption in the event of the termination or death of a grantee.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the restricted share unit plan or may terminate the restricted share unit plan at any time.

Warrants

The following table summarizes the warrants outstanding as at the Effective Date:

Date of Issue	Number of Warrants	Exercise Price ($)	Expiry Date
October 6, 2015	2,612,500	0.25	December 31, 2018 (1)
August 1, 2016	50,000 (2)	0.20	August 2, 2019
December 27, 2017	2,500,000 (3)	0.20	December 27, 2019

(1) These common share purchase warrants are exercisable until the earlier of December 31, 2018 or 90 days following the listing date of the Shares on a stock exchange in Canada and were each issued along with a Share as a unit in a private placement on October 6, 2015.

(2) These common share purchase warrants were issued pursuant to an asset acquisition agreement with Bruno Kebran for the assets of Kebran.

(3) These common share purchase warrants were issued pursuant to a loan settlement agreement with Avonhurst Capital Corp.

PRIOR SALES

The following table summarizes the sales of Shares and Preferred Shares from August 25, 2014 (date of incorporation) to the date of this Prospectus:

Date of Issue	Type of Security Issued	Number of Securities Issued	Price per Security ($)	Aggregate Issue Price ($)	Nature of Consideration Received
August 25, 2014	Shares	8,500,000	0.000118	1,000	Cash
June 2, 2015	Shares	1,500,000	0.07	105,000	Cash
October 6, 2015	units (1)	2,612,500	0.20	522,500	Cash
October 26, 2015	Shares	1,395,000 (2)	0.20 (3)	279,000	Services (3)
March 16, 2016	restricted share units (4)	134,000	0.20 (5)	26,800	Services (4)
January 1, 2016	restricted share units (6)	480,000	0.20 (7)	96,000	Services (6)
December 31, 2017	Shares	1,815,000	0.02	36,300	Cash
February 23, 2018	preferred shares (8)	395,000	1.00	395,000	Cash
August 3, 2018	Shares	183,333	0.15 (9)	27,500	Loan advancement fees (10)

(1) Each unit was comprised of one Share and one Share purchase warrant exercisable at $0.25 per Share until the earlier of 90 days following the listing of the Shares on a stock exchange in Canada or December 31, 2018.

(2) Of these, 480,000 were cancelled on November 1, 2016 pursuant to a termination and mutual release agreement with Engagement Labs Services Inc.

(3) Issued at a deemed price pursuant to a service agreement with Engagement Labs Services Inc.

(4) These restricted share units were issued to officers for services, have since vested and converted into 134,000 Shares.

(5) Issued at a deemed price pursuant to consulting agreements with officers.

(6) These restricted share units were issued to officers and employees for services, have since vested and converted into 480,000 Shares.

(7) Issued at a deemed price pursuant to consulting agreements with officers and employees.

(8) These Preferred Shares convert to Shares on the Effective Date whereby the holder of one Preferred Share will receive 20 Shares.

(9) Issued at a deemed price pursuant to a loan agreement dated August 3, 2018 with the Agent.

(10) These Shares were issued to the Agent as payment for administrative and security related fees pursuant to a loan agreement dated August 3, 2018 with the Agent.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrowed Securities

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's IPO, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the IPO.

At the time of its IPO, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

The Company anticipates that it will be classified as an "emerging issuer" since the Shares will be listed on the CSE. As such, the following automatic timed releases will apply to the Shares held by its Principals:

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

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

The following table sets out information on the number of Shares subject to the terms of the Escrow Agreement among the Company, Trustco and the following persons who are collectively referred to as the "**Escrow Holders**".

Escrow Holder	Designation of Class	Number of Escrowed Shares	Percentage of Issued and Outstanding Shares Prior to Giving Effect to the Offering (1)	Percentage of Issued and Outstanding Shares After Giving Effect to the Offering (2)
Judeh Siwady	Shares	2,525,500	10.5	6.8
Kyle Appleby	Shares	Nil	-	-
Bradley Scharfe	Shares	200,000 (3)	0.8	0.5
John Anderson	Shares	45,000	0.2	0.1

Michael Bradley	Shares	341,727	1.4	0.9
Peter McRae	Shares	120,000	0.5	0.3
Alyas Ali	Shares	382,000	1.6	1
Moya Semaan	Shares	382,000	1.6	1
Total		**3,996,227**	**16.6**	**10.7**

(1) Based on 24,039,833 issued and outstanding Shares.

(2) Based on 37,389,833 issued and outstanding Shares.

(3) These Shares are held by Scharfe Holdings Inc., a company controlled by Mr. Scharfe. For clarity, Scharfe Holdings Inc. is a party to the Escrow Agreement.

Particulars of the Escrow Agreement

The complete text of the Escrow Agreement is available for inspection during regular business hours at the Company's registered and records office located at Suite 300, 110 Spadina Avenue, Toronto ON M5V 2K4.

Restrictions on Shares held by Current Shareholders

There are no transfer restrictions on the Shares other than those Shares held by current shareholders. Those Shares contain transfer restrictions such that current shareholders are not entitled to transfer any Share without the approval of the directors of the Company expressed by resolution passed by the votes cast by a majority of the directors of the Company at a meeting of the Board of Directors or signed by all of the directors of the Company. These transfer restrictions are removed *pro rata* as follows:

- 1/3 of the transfer restrictions on current issued and outstanding Shares are removed *pro rata* to the existing holders of such Shares, four (4) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada;
- An additional 1/3 of the transfer restrictions on current issued and outstanding Shares are removed *pro rata* to the existing holders of such Shares eight (8) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada; and
- An additional 1/3 of the transfer restrictions on current issued and outstanding Shares are removed *pro rata* to the existing holders of such Shares twelve (12) months after the date of issuance, by a Canadian securities regulator or regulatory authority, of a final receipt for a Prospectus that qualifies the Shares of the Company for distribution in any jurisdiction of Canada.

No other series of common or preferred shares of the Company authorized for issuance are subject to transfer restrictions including the Shares issuable on the Effective Date.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, there are no shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Shares, other than Judeh Siwady, who holds 2,525,500 Shares, being 10.6% of the outstanding Shares as of the Effective Date.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Share Holdings

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

Name, Province and Country of Residence	Position or Office held with the Company and the Date Appointed	Number and Percentage of Shares Held (1)	Direct or Indirect Ownership	Principal Occupations Held for Previous Five Years
Judeh Siwady Ontario, Canada	President, Chief Executive Officer, Director (August 25, 2014)	2,525,500 (10.5%)	Direct	General Manager, KyLin Global Network
Kyle Appleby Ontario, Canada	Chief Financial Officer (March 9, 2018)	Nil	-	Public Companies Financial Consultant
Bradley Scharfe British Columbia, Canada	Director, Chairman of the Board of Directors (May 15, 2015)	200,000 (0.8%)	Indirect (2)	Venture capital consultant, President and Chairman of Scharfe Holdings Inc.
John Anderson (3) Ontario, Canada	Director, Chairman of the Audit Committee (August 1, 2015)	45,000 (0.2%)	Direct	Chairman of the Board of Directors of Marret Resource Corp., Director of Pivot Technology Solutions Inc. and NeuLion, Inc.
Michael Bradley Ontario, Canada	Treasurer, Director (August 25, 2014)	341,727 (1.4%)	Direct	CMO of Futurevault Inc., CMO/COO of SB2 Group Inc. and Vice-President of International Networks for KyLin Global Network
Damian Lee (3) Ontario, Canada	Director (June 1, 2015) Member of the Audit Committee (May 9, 2018)	Nil	-	Self-employed Producer, Writer and Director

Peter McRae [3] Ontario, Canada	Director (January 15, 2016) Member of the Audit Committee **(**May 9, 2018)	120,000 (0.5%)	Direct	Chairman of the Board of Directors of Ryan Gold Corp., and Director of Eco Oro Minerals Corp., Focused Capital Corp., and Corona Gold Corporation
Alyas Ali [4] Ontario, Canada	Secretary (August 25, 2014)	382,000 (1.6%)	Direct	Sales and Brand Manager at Neulion, Inc,
Moya Semaan [4] Ontario, Canada	Vice-President (August 25, 2014)	382,000 (1.6%)	Direct	Sales Manager at KyLin Global Network
Total Shares beneficially owned or over which control is exercised by the Company's directors and officers as a group		**3,996,227 (16.6%)**		

(1) Based on 24,039,833 issued and outstanding Shares as at the Effective Date with the percentage of class shown calculated on an undiluted basis.
(2) These Shares are held by Scharfe Holdings Inc., a company wholly owned by Bradley Scharfe.
(3) Member of the audit committee.
(4) Mr. Ali and Mr. Semaan were both directors of the Company from August 25, 2014 to May 15, 2015.

Term of Office of Directors

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

Aggregate Ownership of Securities

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control over 3,996,227 Shares collectively representing 16.6% of the 24,039,833 issued and outstanding Shares as of the Effective Date.

Management

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

The directors and executive officers of the Company intend to dedicate the following percentage of their time to the affairs of the Company: Judeh Siwady, 100%; Alyas Ali, 100%; Moya Semaan, 100%; Kyle Appleby, 15%; Bradley Scharfe, 20%; John Anderson, 10%; Michael Bradley, 20%; Damian Lee, 10%; Peter McRae, 10%.

Each member of the Company's management is an independent contractor at present. As of the date of this Prospectus, the Company has entered into management, consulting or employment agreements with each of Judeh Siwady, Kyle Appleby, Moya Semaan and Alyas Ali. As a component of these contracts, each of these four officers have entered into a non-solicitation and non-disclosure agreements with the Company. (See "*Executive Compensation – Employment Agreements of Named Executive Officers*").

Biographical Information Regarding the Directors and Executive Officers

Judeh Siwady – Chief Executive Officer

Mr. Siwady, age 39, has served as the Chief Executive Officer and director of the Board of Directors since August 25, 2014.

For the 6 years prior to Spacefy, Judeh Siwady was the General Manager of an Arabic internet television business unit, Talfazat, within KyLin Global Network and previously within NeuLion Inc. (“NeuLion”) (*www.neulion.com*) (TSE:NLN). His responsibilities spanned product management, content licensing, day-to-day business operations and oversight of all global marketing initiatives for the Talfazat Platform.

At Spacefy, Mr. Siwady is responsible for the development of marketing strategies, product development and general management of the Company which includes overseeing operations, project management, business reporting, customer support, corporate, finance, legal and HR.

Mr. Siwady, graduated with a Bachelor of Arts in Business from the American University of Beirut in 2001.

Kyle Appleby – Chief Financial Officer

Mr. Appleby, age 43, has been providing Chief Financial Officer services to public and private companies since 2007. He focuses on assisting companies with financial reporting and internal controls, governance, operations, regulatory compliance and taxation. Prior to 2007, Mr. Appleby worked for several public accounting firms in Canada.

He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario. Mr. Appleby currently acts as CFO for a number of other reporting issuers in Canada.

Alyas Ali – Customer Engagement Lead

Alyas A. Ali, age 38, has served as the Customer Engagement Lead of Spacefy since August 25, 2014. Business Development executive, Brand developer, creative and entrepreneur.

Professionally, Mr. Ali has worked in various roles, both technical and creative in his past. Prior to Spacefy, Mr. Ali graduated with a degree in Electrical Engineering from Carleton University (Ottawa, Canada). In 2008, wanting to shift into a more media based role, Mr. Ali signed on as a Marketing Manager and Technical Sales Lead in the Internet based Television sector with Neulion Inc. (“NeuLion”) (*www.neulion.com*) (TSE:NLN).

Moya Semaan – Customer Experience Lead

Mr. Semaan, age 52. Mr. Semaan has served as the *Customer Experience Lead* since August 24, 2014.

Prior to Spacefy, Mr. Semaan served as Regional Sales Manager for KyLin Global Network, a global OTT network based in Beijing and New York. In this role, Mr. Semaan managed a network of resellers and retailers for two multicultural businesses (South Asian and Arabic television) across North America.

Prior to that, Mr. Semaan was a Sales Manager at NeuLion Inc. (*www.neulion.com*) (TSE:NLN) He was responsible for establishing and developing a reseller network in Canada and the United States. Part of his role was to manage and execute marketing campaigns as well as training programs across the region.

Michael Bradley – Director

Michael J. Bradley, age 38, is a technology and media executive, entrepreneur and investor and has served as the Treasurer and director of the Company since August 24, 2014. Currently, Mr. Bradley serves as Chief Marketing Officer at FutureVault Inc., a personal & business information management company, which he co-founded in 2014 with partners G. Scott Paterson and Brad Rosenberg.

Further, Mr. Bradley also serves as an advisor and seed investor in various FinTech, EdTech, video streaming, social mobile and peer-to-peer startup ventures, including Vancouver-based Yare Media.

Previously, Mr. Bradley served as Vice-President, International Networks with global OTT network, KyLin Global Network based in Beijing and New York. Earlier, Mr. Bradley was the Senior Vice-President of Marketing at Internet television industry leader, NeuLion Inc. (www.neulion.com) (TSE:NLN).

Bradley Scharfe – Chairman of the Board and Director

Bradley Scharfe, age 53, has served as the Chairman of the board of directors and a director of the Company since May 15, 2015. Mr. Scharfe is the President, Co-Chairman and CEO of Scharfe Holdings Inc. Mr. Scharfe has spearheaded financing efforts and assembled companies in the areas of resources and commodities, clean technology and renewable/alternative energy, oil and gas, bio-technology and technology. Mr. Scharfe holds a Bachelors of Arts Degree from the University of Toronto, where he majored in Commerce and Economics.

Damian Lee - Director

Damian Lee, age 68, has served as a director of the Company since June 1, 2015. Mr. Lee has written, directed and produced over fifty features, some of which have spawned profitable and entertaining sequels. Mr. Lee has also been involved in various capacities with a number of junior companies. He is the former President and Chief Executive Officer of Noble House Entertainment Inc., a former Audit Committee member of Bontan Corporation and a former member of the board of directors of Findore Gold Resources Ltd. Mr. Lee currently serves as director of QYOU Media Inc. (TSXV:QYOU) and is the Chair of its audit committee. Mr. Lee has a BA from the University of Guelph and is a member of the Directors Guild of Canada.

John R. Anderson - Director

John Robert Anderson, age 72, has served as a director of the Company since August 1, 2015. Mr. Anderson has over 40 years of financial and corporate governance experience. Formerly, Mr. Anderson has been the CFO at each of LPBP Inc., a holding company, from May 2004 until April 2016; TriNorth Capital Inc., a TSX-V listed company, from December 2009 to August 2012; and Impax Energy Services, a TSX listed company, from May 2006 until May 2009. He also served as director and Chairman of the audit committee for TSX listed company CMDF Canadian Medical Discoveries Fund Inc. from January 2005 until June 2015. Mr. Anderson has been an Independent Director of Marret Resource Corp. (TSX:MAR) since December 9, 2011 and a director of Pivot Technology Solutions, Inc. (TSX:PTG) since 2012. Mr. Anderson served as a director of Roots Canada, and as lead independent director of NeuLion (TSX:NLN) from April, 2008 to June 2015. Mr. Anderson is a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors. Mr. Anderson also holds a Bachelor of Arts Degree from the University of Toronto.

Peter McRae - Director

Mr. McRae, age 71, has served as a director of the Company since January 15, 2016. Mr. McRae is a Chartered Accountant and Chartered Professional Accountant. He attended the University of Toronto's Rotman School of Management in 2008 and graduated from the Directors Education Program of the Institute of Corporate Directors with an ICD.D designation.

Mr. McRae is currently Chairman and a director of Freedom International Brokerage Company ("**Freedom**"). He was Freedom's President and CEO from 1994 to 2015. Mr. McRae is also a director of Founders Advantage Capital Corp. (TSX-V: FCF), Eco Oro Minerals Corp. (CSE: EOM) and Crown Mining Corporation (TSX-V: CWM).

Conflicts of Interest

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

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

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

<u>Cease Trade Orders</u>

To the Company's knowledge and other than as disclosed herein, no existing or proposed director or executive officer of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Company, that:

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

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

<u>Bankruptcies</u>

Other than as set forth below, to the Company's knowledge and other than as disclosed herein, no existing or proposed director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

Mr. Anderson was the Chief Financial Officer of Impax Energy Services Income Trust from June 2006 to May 2009. Impax Energy Services Income Trust filed for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) in December 2009, after the departure of Mr. Anderson.

<u>Penalties or Sanctions</u>

To the Company's knowledge and other than as disclosed herein, no existing or proposed director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

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

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

On March 26, 2001, Bradley Scharfe, a director and Chairman of the Board of Directors of the Company, entered into a settlement agreement with the Canadian Venture Exchange (CDNX) in connection with certain trading activities of his clients involving a short selling scheme that occurred between December 1995 and February 1996 while Mr. Scharfe was employed as an investment adviser with Canaccord Capital Corporation. Pursuant to the settlement agreement, Mr. Scharfe acknowledged that he had violated certain By-laws and Rules of the CDNX and agreed to pay a fine of $25,000, disgorge net commissions of $57,500 and pay investigation costs of $5,000. On January 21, 2004, Mr. Scharfe entered into a settlement agreement with the British Columbia Securities Commission (BCSC) in connection with the same events that gave rise to settlement agreement with the CDNX. Pursuant to this settlement agreement, Mr. Scharfe agreed to voluntarily resign his registration under the *Securities Act* (British Columbia) and not apply for registration for a period of two years; not accept any position as a director or officer of a reporting issuer or perform any investor relations activities for a reporting issuer for a period of two years, unless he first delivered to the reporting issuer a copy of the BCSC order and settlement agreement; pay fines and costs of $53,500; and consented to an order under the *Securities Act* (British Columbia) restricting his ability to trade securities for a period of two years.

On December 18, 1991, Mr. Scharfe entered into a settlement agreement with the Investment Dealers

Association of Canada in connection with a series of unauthorized trading activities that occurred in the preceding year while he was a newly registered representative with RBC Dominion Securities Inc. Pursuant to the settlement agreement, Mr. Scharfe agreed to pay a fine of $6,000, pay investigation costs of $1,890 and to re-write and pass the registered representative manual exam.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Spacefy recognizes that remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to our management team. However, the Company has not, as yet, generated any significant income or cash flow from operations and operates within limited financial resources to ensure that funds are available to advance the strategic business initiatives of the Company. The Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation in the mid and long-term. As at the date of this Prospectus, the Company has entered into employment contracts with its NEOs. The Board of Directors plans to continue to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of Spacefy.

Given the Company's size and stage of operations, the Board of Directors does not have a separate Compensation Committee and such functions are addressed by the entire Board of Directors. The Company's management team is committed to developing the operations of the Company and will establish a formal compensation program with set benchmarks once it begins generating sufficient revenues to sustain operations. Currently, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period.

Elements of Executive Compensation

Other than as disclosed in this Prospectus, the Named Executive Officers intend to donate their services until the Company begins generating revenue. Any salary paid to the Named Executive Officers will be dependent upon the Company's finances as well as the performance of each of the Named Executive Officers.

Summary Compensation Table

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer, each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Company's most recently completed financial year and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

The table below sets out information regarding compensation paid to or awarded to the Named Executive Officers for the years ended December 31, 2015, 2016 and 2017.

Name and Principal Position	Year ended December 31,	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual incentive plans	Long-term incentive plans			
Judeh Siwady	2015	74,750	-	-	-	-	-	-	74,750
President, Chief Executive Officer,	2016	65,625	6,000	-	-	-	-	-	71,625
Director	2017	96,000	-	-	-	-	-	-	96,000
Kyle Appleby	2015	-	-	-	-	-	-	-	-
Chief Financial Officer	2016	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
Michael Bradley	2015	-	-	-	-	-	-	-	-
Treasurer, Director	2016	-	-	14,287[1]	-	-	-	-	14,287
	2017	-	-	-	-	-	-	-	-
Alyas Ali	2015	61,000	-	584[2]	-	-	-	-	61,584
Secretary	2016	57,750	10,400	1,158[2]	-	-	-	-	69,308
	2017	90,000	30,000[4]	1,156[2]	-	-	-	-	121,156
Moya Semaan	2015	61,000	-	584[2]	-	-	-	-	61,584
Vice-President	2016	57,750	10,400	1,158[3]	-	-	-	-	69,308
	2017	90,000	30,000[4]	1,156[3]	-	-	-	-	121,156

(1) Represents vesting for the period for options to purchase 75,000 Shares at a price of $0.25 per share until January 15, 2019.

(2) Represents vesting for the period for options to purchase 185,000 Shares at a price of $0.07 per share until Jure 15, 2020.

(3) Represents vesting for the period for options to purchase 185,000 Shares at a price of $0.07 per share until June 15, 2020.

(4) Represents restricted share units that vested March 31, 2017. The fair value of the restricted share units was $0.02 per common share.

Employment Agreements of Named Executive Officers

The Company has entered into employment agreements dated January 1, 2015 and subsequently amended effective January 1, 2017 with each of Judeh Siwady, Alyas Ali and Moya Semaan. All three agreements are for full time work with the Company as follows:

The Company entered into an agreement with its CEO, Judeh Siwady for his full-time services as the CEO of the Company on January 1, 2015. For these services, the Company currently pays Mr. Siwady $96,000 per year. Mr. Siwady is entitled to three weeks of vacation, increasing by one-half a week per year of service to a maximum of 5 weeks. He is also entitled to participate in any benefits program that the Company may from time to time provide. The Company may terminate this contract at any time for cause or for no cause, after proper notice or pay in lieu plus proper severance as required by the Ontario *Employment Standards Act (2000)*. In addition to these requirements, Mr. Siwady would be entitled to one month of severance pay per year of service. After Termination, Mr. Siwady has agreed to a non-solicitation period of one year in which he will not recruit or participate in the recruitment of any employee of the Company or solicit any customer or supplier of the Company in a manner that interferes with the business of the Company.

The Company entered into an agreement with Alyas Ali for his full-time services as the Marketing and Customer Engagement Lead of the Company on January 1, 2015. For these services, the Company currently pays Mr. Ali $90,000 per year. Mr. Ali is entitled to three weeks of vacation, increasing by one-half a week per year of service to a maximum of 5 weeks. He is also entitled to participate in any benefits program that the Company may from time to time provide. The Company may terminate this contract at any time for cause or for no cause, after proper notice or pay in lieu plus proper severance as required by the *Employment Standards Act (2000)*. In addition to these requirements, Mr. Ali would be entitled to one month of severance pay per year of service. After termination, Mr. Ali has agreed to a non-solicitation period of one year.

The Company entered into an agreement with Moya Semaan for his full-time services as the Customer Experience Lead of the Company on January 1, 2015. For these services, the Company currently pays Mr. Semaan $90,000 per year. Mr. Semaan is entitled to three weeks of vacation, increasing by one-half a week per year of service to a maximum of 5 weeks. He is also entitled to participate in any benefits program that the Company may from time to time provide. The Company may terminate this contract at any time for cause or for no cause, after proper notice or pay in lieu plus proper severance as required by the *Employment Standards Act (2000)*. In addition to these requirements, Mr. Semaan would be entitled to one month of severance pay per year of service. After termination, Mr. Semaan has agreed to a non-solicitation period of one year.

The Company has also entered into an agreement dated March 12, 2018 with CFO Advantage Inc. for the services of Kyle Appleby for his appointment as Chief Financial Officer and for him to carry out all the duties commensurate with this position. The agreement provides for a monthly fee of $3,000 plus any stock-based compensation awarded at the discretion of the Board of Directors. The agreement can be terminated by either party with three monthsô notice and includes confidentiality protection for the Company and solicitation protection for the Company for two years after termination of the agreement.

As part of the foregoing agreements, each of the Named Executive Officers have entered into a Confidentiality and Proprietary Information Agreement with the Company.

Stock Options

The table below sets out information regarding compensation securities granted to each director and NEO and the date of grant.

Name and Principal Position	Type of compen-sation security ($)	Number of compensation securities, number of underlying securities, and percentage of class ($) (1)	Date of issue or grant	Issue conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at December 31,2017 ($)	Expiry Date
Judeh Siwady President, Chief Executive Officer, Director	-	-	-	-	-	-	-
Kyle Appleby Chief Financial Officer	-	-	-	-	-	-	-

Name and Principal Position	Type of compen-sation security ($)	Number of compensation securities, number of underlying securities, and percentage of class ($) (1)	Date of issue or grant	Issue conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at December 31,2017 ($)	Expiry Date
Bradley Scharfe Chairman of the Board of Directors	Options	75,000 (0.3%)	January 15, 2016	0.25	-	-	January 15, 2019
John Anderson Director, Chairman of the Audit Committee	Options	75,000 (0.3%)	January 15, 2016	0.25	-	-	January 15, 2019
Michael Bradley Treasurer	Options	75,000 (0.3%)	January 15, 2016	0.25	-	-	January 15, 2019
Damian Lee Director	Options Options	75,000 (0.3%) 75,000 (0.3%)	January 15, 2016 February 15, 2017	0.25 0.25	- -	- -	January 15, 2016 February 15, 2017
Peter McRae Director	Options	75,000 (0.3%)	January 15, 2016	0.25	-	-	January 15, 2019
Alyas Ali Secretary	Options	185,000 (0.8%)	June 15, 2015	0.07	-	-	June 15, 2020
Moya Semaan Vice-President	Options	185,000 (0.8%)	June 15, 2015	0.07	-	-	June 15, 2020

(1) Based on 24,039,833 issued and outstanding Shares as at the Effective Date with the percentage of class shown calculated on an undiluted basis.

Stock Option Plan

The Board has adopted a Stock Option Plan whereby the number of shares reserved for issuance and which will be available for purchase pursuant to options granted under the plan will not exceed ten percent of the issued and outstanding Shares, from time to time. Under the terms of the Stock Option Plan, options may be granted to: (i) key employees, officers, directors, and consultants; and (ii) employees, directors, and consultants of an affiliate of the Company pursuant to the direction and in the sole discretion of the Board of Directors.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not anticipate paying any additional compensation to the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the officers or from any change of the Named Executive Officersô responsibilities following the IPO. There are no provisions granting any change of control benefits to any of the Named Executive Officers.

DIRECTOR COMPENSATION

Other than compensation paid to the Named Executive Officers, no compensation was paid to the Company's directors in their capacity as directors of the Company, in their capacity as members of a committee of the Board of Directors or as consultants or experts, during the Company's most recently completed financial year. The Company has no plans to compensate its directors in the foreseeable future.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

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

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee Charter

The Board of Directors will adopt a written charter in the form set forth in Schedule A, setting forth the purpose, composition, authority and responsibility of the Company's Audit Committee, consistent with NI 52-110. The Audit Committee will assist the Board of Directors in discharging its oversight of:

- the quality and integrity of financial statements and related information;
- the independence, qualifications and appointment of the external auditor;
- disclosure controls and procedures, internal control over financial reporting and management's responsibility for assessing and reporting on the effectiveness of such controls;
- risk management processes;
- establishing and monitoring the Company's whistleblower policy; and
- transactions with any related parties.

Composition of the Audit Committee and Relevant Education and Experience

The Company's Audit Committee consists of three directors, each of whom were determined by the Board of Directors to be financially literate within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and all of whom are persons determined by the Board of Directors to be independent directors within the meaning of NI 52-110. The Audit Committee is comprised of John Anderson, who is the chair of this committee, Damian Lee and Peter McRae. Each of our Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, See "Biographical Information Regarding the Directors and Executive Officers".

Audit Committee Oversight

The Audit Committee was appointed by the Board of Directors on August 1, 2015 with the appointment of John Anderson as chair and only member. Messrs. Lee and McRae were appointed to the audit committee on May 9, 2018. The Board of Directors as a whole carried out the responsibilities of the audit committee prior to August 1, 2015. The Audit Committee has not yet made any recommendations concerning the nomination or compensation of the Company's external auditor, as such auditor was appointed by the Board of Directors.

The Audit Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board of Directors, including overseeing the work of the independent auditors who report directly to the Audit Committee. The Audit Committee has access to all of the Company's books, records, facilities and personnel and may request any information about the Company as it may deem appropriate. It also has the authority, in its sole discretion and at the Company's expense, to retain and set the compensation accounting or other advisors as necessary to assist in the performance of its duties and responsibilities. Our Audit Committee also has direct communication channels with the Chief Financial Officer and our external auditors to discuss and review such issues as our Audit Committee may deem appropriate.

The specific responsibilities of the Audit Committee, among others, include:

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

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

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

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

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

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

External Auditor Service Fees

The table below sets out the audit and review fees incurred by the Company for the fiscal years ended

December 31, 2016 and December 31, 2017.

Audit Service Fees	Year Ended December 31, 2016 ($)	Year Ended December 31, 2017 ($)
Audit Fees (1)	22,260	17,172
Audit Related Fees (2)	-	23,108
Tax Fees (3)	-	-
All other fees (4)	-	-
Total	22,260	40,280

(1) Aggregate fees billed by the Company's external auditor (or accrued) for audit services.

(2) Aggregate fees billed by the Company's external auditor (or accrued) for audit related services and includes review fees.

(3) Aggregate fees billed (or accrued) by the Company's external auditor for professional services rendered for tax compliance, tax advice and tax planning.

(4) Aggregate fees billed (or accrued) by the Company's external auditor and not included above.

Corporate Governance

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

The Company recognizes that good corporate governance plays an important role in the overall success of the Company and in enhancing shareholder value. The Board of Directors are committed to sound corporate governance practices, which are both in the interest of the Company's shareholders and contribute to effective and efficient decision making. Accordingly, the Board of Directors monitors the governance practices of the Company on an ongoing basis and when necessary implement such additional practices as it deems appropriate. The disclosure set out below describes the Company's approach to corporate governance.

Composition of our Board of Directors

Under the Company's Articles, the Board is to consist of a minimum of 1 and a maximum of 10 directors as determined from time to time by the directors. Upon completion of the Offering, the Board will consist of 6 directors, the majority of whom are considered to be independent under Canadian securities legislation and all are resident Canadians. Under the OBCA, a director may be removed with or without cause by an ordinary resolution passed by a majority of the votes cast by shareholders, present in person or by proxy at a meeting of shareholders and, who are entitled to vote.

The Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Board will seek to maintain the composition of our Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the Company's overall stewardship.

The directors are elected by Shareholders at each annual meeting of Shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The nominees for election by Shareholders as directors will be determined by our Board of Directors in accordance with the provisions of applicable corporate law.

As of the date of this Prospectus, the Board of Directors consists of six directors, Bradley Scharfe, Judeh Siwady, Michael Bradley, John Anderson, Damian Lee and Peter McRae with Bradley Scharfe serving as Chairman of the Board of Directors.

<u>Director Independence</u>

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment.

Based on information provided by each director concerning his background, employment and affiliations, Bradley Scharfe, John Anderson, Damian Lee and Peter McRae are considered "independent" within the meaning of applicable securities legislation. Judeh Siwady and Michael Bradley are not considered to be "independent" within the meaning of applicable securities legislation as they are both executive officers of the Company. The Audit Committee of the Company is made up of three (3) independent directors.

Certain members of the Board are also members of the board of directors of other public companies. The Board keeps informed of other public directorships held by its members. The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Peter McRae	Eco Oro Minerals Corp.	TSX
	Founder Advantage Capital Corp.	TSX Venture Exchange
	Crown Mining Corporation	TSX Venture Exchange
John Anderson	Marret Resource Corp.	TSX
	Pivot Technology Solutions Inc.	TSX

<u>Orientation and Continuing Education</u>

The Company has an informal orientation program for new directors under which a new director will meet with the chair, the President and other members of senior management and our secretary. Each new director of the Company is briefed provided with comprehensive orientation and education as to the nature and operation of our business including its corporate strategy and current issues within the Company, the role of the Board and its committees, and the contribution that an individual director is expected to make. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company. Chair is responsible for coordinating the new director orientation and overseeing director continuing education to ensure that their knowledge and understanding of the business remains current. New directors will be encouraged to review the Company's public disclosure records as filed on SEDAR at *www.sedar.com* after the Company becomes a reporting issuer.

Ethical Business Conduct

The Company will adopt a written code of business and ethical conduct (the “**Code of Conduct**”) that applies to all of the Company’s employees, all members of the Board of Directors and the Company’s executive officers, including the Company’s principal executive officer, principal financial officer and principal accounting officer. The Code of Conduct will provide guidelines for maintaining the Company’s integrity, reputation, honesty, objectivity and impartiality. The objective of the Code of Conduct is to address conflicts of interest, protection of Company assets, confidentiality, fair dealing with Shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company’s best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have ultimate responsibility for the stewardship of the Code of Conduct and it will monitor compliance. Directors, officers and employees will be required to annually certify that they have not violated the Code of Conduct. The Code of Conduct will be filed with the Canadian securities regulatory authorities on SEDAR at *www.sedar.com*.

Currently, any director that has a material interest in a transaction before the Board of Directors is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest. See “*Directors and Executive Officers - Conflicts of Interest*” and “*Risk Factors*”.

Nomination of Directors

The Board believes that its members individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill identify new candidates for board nomination including determining compensation. All members of the Board of Directors have substantial knowledge and experience as current and former senior executives of technology companies or large organizations and certain members are on the boards of other publicly traded companies, See “*Director Independence*”. The Company’s management are also actively involved in, and connected with many individuals, the technology sector. In the event that the Company requires any new directors, individuals identified from the Company’s pool of resources as suitable candidates to be members of the Board of Directors will be brought to the attention of the Board of Directors. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Compensation

As of the date of the Prospectus, the Board of Directors as a whole determines the compensation of the Company’s Chief Executive Officer and Chief Financial Officer and does so with reference to industry standards and the financial condition of the Company. The Board of Directors has the sole responsibility for determining the compensation of the directors of the Company.

Other than compensation paid to the Named Executive Officers, no compensation was paid to the Company’s directors in their capacity as directors of the Company, in their capacity as members of a committee of the Board of Directors or as consultants or experts, during the Company’s most recently completed financial year. The Company has no plans to compensate its directors in the foreseeable future.

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

Other Board Committees

Other than as disclosed herein, there are no other committees of the Board of Directors as of the date of this Prospectus.

Assessments

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

PLAN OF DISTRIBUTION

The Offering will be made in accordance with applicable securities laws, rules, regulations, policies and instruments. In accordance with the Agency Agreement, subscription funds will be held by the Agent pursuant to the provisions of the Agency Agreement until the Closing Date.

Prior to the Offering, there was no public market for the Shares. Pursuant to the Agency Agreement, the Company has appointed the Agent to act on its behalf to conduct the Offering at a price of $0.15 per Unit in the Selling Provinces, on a commercially reasonable efforts basis, for gross proceeds of a minimum and maximum of $2,002,500. The Offering Price and the terms of the Offering were determined by negotiation between the Company and the Agent. While the Agent has agreed to use commercially reasonable efforts to sell the Units, it is not obligated to purchase any Units. The Agency Agreement provides that the obligations of the Agent pursuant to the Agency Agreement may be terminated at the discretion of the Agent on the basis of its assessment of the state of the financial markets or upon the occurrence of certain stated events. The Agent may enter into selling arrangements with other investment dealers at no additional cost to the Company.

As consideration for the Agent's services, the Company will pay or issue to the Agent the following consideration under the Agency Agreement:

(i) the Agent's Commission of 9% of the gross proceeds of the Offering, payable in cash on the Closing Date;

(ii) the Agent's Warrants representing 9% of the number of Units issued pursuant to the Offering, to be issued on the Closing Date;

(iii) the Corporate Finance Fee of $30,000 plus applicable taxes, of which $15,750 is non-refundable and has been paid; and

(iv) reimbursement of its legal fees and expenses toward which a $35,000 retainer has been paid.

This Prospectus also qualifies for distribution of the Agent's Warrants in the Selling Provinces to the extent permitted by NI 41-101, which restricts the maximum number of securities that may be qualified under a prospectus being issued to an Agent as compensation ("**Qualified Compensation Securities**") to not more than 10% of the number of Units offered under this Prospectus. In the case of the Offering, this means 1,335,000 securities.

For the purposes of the Offering, 1,201,500 Agent's Warrant Shares are Qualified Compensation Securities and are qualified for distribution by this Prospectus.

Under applicable securities laws in Canada, certain persons and individuals, including the Company and the Agent, have statutory liability for any misrepresentation in this Prospectus, subject to available defences. The Agent is entitled under the Agency Agreement to indemnification by the Company, against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments that the Agent may be required to make in respect thereof.

There is currently no market through which the Shares may be sold. This may affect the pricing of the Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Shares and the extent of issuer regulation. See "Risk Factors". Subscriptions for Shares will be received subject to rejection or allocation in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing is expected to occur on such date as the Company and the Agent may agree, but in any event not later than 90 days from the date of issuance of a receipt for this prospectus. Closing is conditional upon the Shares being approved for listing on the CSE.

The Company has received conditional approval to list the securities distributed under this Prospectus on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

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

RISK FACTORS

High Risk Related to the Offering and, Speculative Nature of Investment of Units and Shares

An investment in the Units carries a high degree of risk and should be considered as a speculative investment by purchasers due to the nature of the Company's business and the present stage of development. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. It is in the development and planning phases of its business and has only just begun the commercialization of any products and services. Operations are not sufficiently established such that the Company can mitigate the risks associated with its planned activities. An investment in the Units should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment.

In addition to all other information set out in this Prospectus, the following specific factors could materially adversely affect the Company and should be considered when deciding whether to make an investment in the Company, the Units and the Shares. Other risks and uncertainties that are not presently considered to be material, or of which management of the Company is not presently aware, may become important factors that affect the Company's future financial condition or results of operations. The occurrence of any of the risks discussed below could materially adversely affect the business, prospects, financial condition, results of operations or cash flow of the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations. The Units and Shares are only suitable for investors (i) who understand the potential risk of capital loss, (ii) for whom an investment in the Shares is part of a diversified investment program and (iii) who fully understand and are willing to assume the risks involved in such an investment program. Prospective purchasers of Shares should carefully consider the following risks before investing in the Company, Units and the Shares.

Dilution and Shareholdings

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 45% or $0.067 per Common Share on the basis of there being 37,389,833 Common Shares of the Corporation issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

See "*Consolidated Capitalization*" for the total fully diluted Share capitalization after the Offering.

Gross proceeds of prior share issues	$ 1,087,300
Gross proceeds of this Offering	$ 2,002,500
Total gross proceeds after this Offering	$ 3,089,800
Offering price per share	$ 0.15
Gross proceeds per share after this Offering	$ 0.083
Dilution per share to subscriber	$ 0.067
Percentage of dilution in relation to the offering price	45%

No Established Market for the Shares

There is currently no market through which the Units or Shares may be sold and purchasers may not be able to resell Units or Shares purchased under this Prospectus. Even if a market develops, there can be no assurance that the price of the Units or Shares offered under this Prospectus, which was determined through negotiations between the Company and the Agent, will reflect the market price of the Units or Shares once a market has developed.

Liquidity Concerns and Future Financing Requirements

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

Listing on a Recognized Exchange and Volatility of Share Price

The Company has received conditional approval to have its shares listed on the CSE. Listing is subject to the Company fulfilling the listing requirements of the CSE. There can be no assurance that the Shares will be listed on the CSE or that an active or liquid market will develop or be sustained for the Units or Shares. Factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the digital advertising industry may have a significant impact on the market price of the Shares. Global stock markets, including the CSE, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology marketing and premises rental sectors. These external factors may significantly impact the price of the Shares.

Uncertainty of Use of Proceeds

Spacefy will have broad discretion to use the net proceeds from the sale of securities in this offering, and investors in the Units will be relying on the judgment of the Board of Directors and management regarding the application of these proceeds. Although the Company has set out its intended use of proceeds from the Offering in this Prospectus, the uses and figures provided are estimates only and are subject to change. Management of the Company's inability to apply the net proceeds from this offering effectively could have an adverse effect on the Company's financial condition or results of operations. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds. See "*Use of Proceeds – Principal Purposes*".

No Prospect of Dividends

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

Increased Costs of Being a Publicly Traded Company

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

<u>Risks Related to the Business of the Company</u>

Going Concern

The Company has not generated substantial revenue from operations. During the fiscal years ended December 31, 2016 and 2017, the Company incurred operating losses of $694,139 and $622,170 respectively, and as at December 31, 2017, the Company had a deficit of $1,749,729. While the Company had working capital deficit of $214,854 as at December 31, 2017, the Company expects to incur further operating losses for the foreseeable future in the development of its business and expects that it will require additional financing. The Company's recurring losses and lack of any cash flow raise substantial doubt about its ability to continue as a going concern, and management cannot assure investors that the Company will be able to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to develop its business, its ability to obtain the necessary financing to carry out this strategy and to meet its corporate overhead needs and discharge its liabilities as they come due. If the Company is unable to achieve or sustain profitability or to secure additional financing on acceptable terms, its inability to continue as a going concern may result in shareholders losing their entire investment. There is no guarantee that the Company will become profitable or secure additional financing on acceptable terms, or at all. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. There is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Working Prototype Stage of Spacefy Platform

The Spacefy Platform is proprietary software, combined with some off-the-shelf data and commerce applications, that is currently in the working prototype stage and has not been stress tested in high volume use as the Company plans through its anticipated marketing campaign. Limited testing has been completed with respect to how the Spacefy Platform will handle a large number of concurrent users, and additional development work is required on the user interface and back-end as the number of spaces in the Company's inventory grows and as the number of rental transactions increases. If the Company is unable to maintain development of the Spacefy Platform beyond this stage, demand for Spacefy, its spaces and the amount of revenue that the Company will be able generate will be severely limited.

Dependence on Continued Growth in Internet and Mobile Technology use for the Industry

The establishment of operations and future success of the Company are heavily dependent on the continued growth of customer trust and dependence on the Internet. The space rental industry has historically been very manual in nature and has been conducted face-to-face, over the telephone one-on-one or through agencies. Internet usage for commerce generally requires a willingness to learn and accept new ways of conducting business. In particular, businesses that have used more traditional marketing and transactional services may be reluctant or slow to adopt new technologies that may result in their existing personnel and infrastructure becoming obsolete. To the extent that businesses do not consider the Spacefy Platform or any other technology the Company may develop to be a viable commercial medium, the Company may be unable to develop a customer base which would hinder the Company's ability to generate revenue.

Smart phones and other mobile technology have allowed consumers the ability to be connected to the Internet at all times. Spacefy is prepared to capitalize on this new interest and traffic provided that the consumer continues to demand these services through mobile phones. If the Company is unable to generate sufficient interest from participants in the industry that use mobile phones, the revenues generated from a large source of online consumers will be limited.

Technology Risk

The Company's products and services are dependent upon certain technologies which are susceptible to rapid technological change. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, some of the Company's services are currently under development and there can be no assurance that these development efforts will result in a viable service as conceived by the Company or at all.

There is a risk that a similar platform built by a competitor could acquire more market share than the Spacefy Platform, or that a similar application may be developed by a competitor in the future that includes features more appealing to clients or uses advanced technology not used by the Spacefy Platform. The occurrence of any of these events could decrease the amount of interest generated in the Spacefy Platform and prevent the Company from generating revenues or reduce the revenue generating potential of the Company.

The markets in which the Company competes are characterized by constant change and innovation and management of the Company expects them to continue to evolve rapidly. The scalability of the Company’s business is based on its ability to identify and connect Creatives to a broad range of venues and other non-traditional spaces to facilitate their creative projects and its ability to design a platform that provides them with the tools they need to operate their businesses. The Company’s ability to attract new Creatives and space users, identify new spaces, and retain existing spaces, Creatives and space users will depend in large part on its ability to continue to improve and enhance the functionality, performance, reliability, design, security and scalability of its platform. The Company may experience difficulties with software development that could delay or prevent the development, introduction or implementation of new solutions and enhancements.

Software development involves a significant amount of time for our research and development team, as it can take the Company’s developers months to update, code and test new and upgraded solutions and integrate them into the Platform. The Company must also continually update, test and enhance its software platform. For example, the Company’s design team spends a significant amount of time and resources incorporating various design enhancements, such as customized colors, fonts, content and other features, into the Platform. The continual improvement and enhancement of the Platform requires significant investment and the Company may not have the resources to make such investment. To the extent that the Company is not able to improve and enhance the functionality, performance, reliability, design, security and scalability of the Platform in a manner that responds to the evolving needs of Creatives and space users, the business of the Company, operating results and financial condition will be adversely affected.

Activity of Creatives and Space Owners

The Company’s revenues depend on transactions between Space Owners and Creatives. In the relationship between these two groups, there is potential for fraudulent or otherwise illegal activity by space owners, their Creative customers, developers, employees or third parties. Though the rental transactions contemplated by the meeting of a space owner and a Creative on the Spacefy Platform are conducted between the two parties themselves, there is the possibility that the Company could become drawn into legal proceedings or other disputes between these parties. The Company, in these instances may be forced to commit financial and or personnel resources that would otherwise be employed in the growth or management of the business, reducing the revenue or profit of the Company. The public opinion of the Company and various trademarks that it operates under may also be negatively affected in these circumstances.

Limited Operating History and No Assurance of Profitability

The Company is a start-up business with a limited operating history and no established brand recognition. It was incorporated in August of 2014, is in the process of developing its technology, services and market and has not entered a commercialization stage beyond the prototype phase. The Company’s lack of operating history makes it difficult to accurately evaluate its business and predict future performance. Any assessments of the current business and predictions that are made about the Company’s future success or viability may not be as accurate as they could be if the Company had an operating history. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risks that it will not establish a market for its services, achieve its growth objectives or become profitable. The Company has encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, and the size and nature of the market opportunity may change as the Company scales its business. The Company anticipates that it may take several years to achieve positive cash flow from operations. There can be no assurance that there will be demand for the Company's services or that the Company will become profitable.

History of Losses

The Company has a history of losses and it may be unable to achieve profitability. The Company incurred net losses of $694,139 for the year ended December 31, 2016 and $622,170 for the year ended December 31, 2017. The Company also incurred net losses of $353,229 and $369,020 in the six months ended June 30, 2017 and 2018, respectively. At June 30, 2018, the Company had an accumulated deficit of $2,118,749. These losses and accumulated deficit are a result of the substantial investments made to grow the business and management of the Company expects to make significant expenditures to expand the business in the future. The Company expects to increase investment in sales and marketing as it continues to spend on marketing activities and expand partner referral programs. Management of the Company plans to increase investment in research and development as the Company continues to introduce new products and services to extend the functionality of the Platform. In order to support the continued growth of the business and to comply with continuously changing security and operational requirements, management of the Company plans to continue investing in its infrastructure. These increased expenditures will make it harder for the Company to achieve profitability and management of the Company cannot predict if the Company will achieve profitability in the near term or at all. Historically, costs have increased/decreased each year due to these factors and management of the Company expects to continue to incur increasing costs to support anticipated future growth. Management of the Company also expects to incur additional general and administrative expenses as a result of both the anticipated Company growth and the increased costs associated with being a public company. Expenses may be greater than anticipated, and investments to make the business and technical infrastructure more efficient may not be successful. Increases in costs may adversely affect the Company's business and profitability.

Competition

The current creative space rental marketplace is fractured with no clear leader emerging over the many years that it has been in existence. Emerging competitors may be much larger companies with substantially greater financial, technical, sales, marketing and other resources than Spacefy does, as well as greater name recognition. As a result, emerging competitors may be able to compete more aggressively and have the potential to capture market share in various markets, which could have a material adverse effect on the Company's position in the industry and its financial results. If the Company is unable to establish itself as the premier market for its services, it may never become profitable and investors may lose their entire investment.

Competitive Advantage

For Spacefy to develop its customer base and continue to expand into other geographical areas, the Company must continue to attract new customers and retain existing ones through the continual improvement of the features, functionality, performance, reliability, security and scalability of the Spacefy Platform so that the Company maintains a competitive advantage. These improvements, as planned, (*See "Business Objectives and Milestones"*) are focused on identifying and anticipating the needs of the

Company's customer base in order to provide them with the tools they need to operate their businesses. The Company may experience difficulties with this strategy for several reasons including complications in its ability to develop or acquire required software, delays or complications with implementation of features or other updates. The Company may also find that the investment required for certain key developments is higher than anticipated, causing delays or cancellations of key features required by its customers. To the extent that Spacefy is not able to improve and enhance its platform in a manner that responds to the needs of its customers, its operating results and overall financial condition will be adversely affected.

Protecting Intellectual Property

The Company regards its intellectual property including the IP associated with any technology or trademarks that the Company is able to develop or acquire, including the Spacefy Platform as important to its success. The Company plans to rely on trademark, copyright and patent law, trade secret protection and confidentiality agreements with our employees, vendors, consultants and others to protect proprietary rights. If the Company is unable to protect its intellectual property from unauthorized use, its ability to exploit its proprietary technology or brand may be harmed and, as a result, the business and results of operations may suffer.

Management of the Company cannot assure investors that the efforts it has taken to protect its proprietary rights will be sufficient or effective, that any pending or future patent and trademark applications will lead to issued patents and registered trademarks in all instances, that others will not develop or patent similar or superior technologies, products or services, or that patents, trademarks and other intellectual property belonging to the Company will not be challenged, invalidated, misappropriated or infringed by others. Furthermore, Spacefy has already expanded into US and Canada. The intellectual property laws and enforcement practices of other countries may not protect its products and intellectual property rights to the same extent as the laws of Canada. Even if the Company takes measures in the future to protect such technology or trademarks, there can be no assurance that others will not develop similar technology or trademarks or that the Company will be in a position to police unauthorized use of the technology or trademarks, which can be difficult and costly. To protect intellectual property rights in the future, the Company may take further precautions and may pursue litigation, which may result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of the Company's business or adversely affect revenues, financial condition and results of operations. The Company may be subject to claims by third parties seeking to enforce their claimed intellectual property rights.

Security Risks and Service Disruption

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

To the extent that Spacefy deploys new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to the Platform, the consequences could result in the inability of Spacefy's users to access the Platform. The Company's users could share information about bad experiences on social media, which could result in damage to Spacefy's reputation and loss of future sales. There can be no assurance that provisions typically included in the agreements with Spacefy’s users that attempt to limit the Company’s exposure to claims would be enforceable or adequate or would otherwise protect the Company from liabilities or damages with respect to any particular claim. Even if not successful, any claim brought against the Company by any of our users would likely be time-consuming and costly to defend and could seriously damage the reputation of the Company and brand, making it harder for Spacefy to scale up its business.

The Company’s operations involve the storage and transmission of customer data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. While the Company must ensure that it continually enhances security and fraud protection within the Spacefy Platform, it cannot guarantee its ability to do so and the Company may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. A service attack or security breach could delay or interrupt service to Spacefy’s users, harm its reputation or subject it to significant liability. While Spacefy has not been subject to attacks by hackers or other infringements on the Platform, Spacefy cannot guarantee that the Platform will not be subject to attacks in the future and also cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. Moreover, the Platform could be breached if vulnerabilities in Platform are exploited by unauthorized third parties. Since techniques used to obtain unauthorized access change frequently, Spacefy may be unable to implement adequate preventative measures or stop the attacks while they are occurring. A security breach could delay or interrupt service to Spacefy’s users and may deter consumers from visiting the Company’s Spaces. In addition, any actual or perceived security breach could damage Spacefy’s reputation and brand, expose the Company to a risk of litigation and possible liability and require it to expend significant capital and other resources to alleviate problems caused by the security breach. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Such mandatory disclosures could lead to negative publicity and may cause Spacefy’s users to lose confidence in the effectiveness of its data security measures. Moreover, if a high-profile security breach occurs with respect to another competitor, Creatives or Space owners may lose trust in the security of the online space hosting platforms generally, which could adversely impact Spacefy’s ability to retain existing Spaces and Creatives or attract new ones.

Privacy Policy and Regulatory Oversight

The Company posts on its website its privacy policy and terms of service, which describe its practices concerning the use, transmission and disclosure of information relating to its Creatives, Spaces and Space owners. In addition, the interpretation of data protection laws in Canada and elsewhere, and their application to the internet, is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with Spacefy’s current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for noncompliance. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause the Company to incur significant costs and effort to ensure compliance. Since the Platform is accessible worldwide, certain foreign jurisdictions may claim that Spacefy is required to comply with their laws, including in jurisdictions where Spacefy has no local entity, employees or infrastructure.

Spacefy’s failure to comply with federal, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by Spacefy’s merchants or their customers. These proceedings or violations could force the Company to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability, diversion of management's time and attention, increase costs of doing business, and adversely affect Spacefy's reputation and the demand for the Company's solutions.

There can be no assurance that the limitations of liability in the Company's contracts would be enforceable or adequate or would otherwise protect the Company from any such liabilities or damages with respect to any particular claim. Spacefy also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that its insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against Spacefy that exceeds its available insurance coverage, or changes in its insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on Spacefy's business, financial condition and results of operations.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

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

Uninsured or Uninsurable Risk

The Company currently has general commercial liability insurance and Directors and Officers Insurance. The Company may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the financial position and operations of the Company. Management of the Company cannot provide any assurance that it will in the future be able to obtain insurance at industry norms at affordable prices, or that any insurance obtained will be sufficient to cover any losses that may be sustained, or that the Company will be able to successfully claim any losses under these insurance policies on a timely basis or at all. If the Company incurs any loss not covered by its insurance policies, or the compensated amount is significantly less than the actual loss or is not paid in a timely manner, the business, financial condition and results of operations of the Company could be materially and adversely affected.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in other ventures in the technology, marketing and other creative industries through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies and services provided by the Company. The Company has entered into non-solicitation or non-disclosure agreements with three of its officers, Kyle Appleby, Moya Semaan and Alyas Ali and also with Judeh Siwady, an officer and director of the Company, for the purpose of restricting such persons from forming competing businesses or disclosing confidential information about the Company to third parties. The

Company has not entered into non-competition or non-disclosure agreements with any other directors of the Company. Situations may therefore arise in connection with potential acquisitions or opportunities where the interests of the Company’s directors and officers conflict with or diverge from the interests of the Company. Directors and officers with conflicts of interest will be required to follow the procedures set out in the OBCA. See “*Directors and Executive Officers – Conflicts of Interest*” and “*Audit Committee and Corporate Governance*”.

Dependence on Key Personnel and Relationships

The Company’s success will depend on the continued support of its directors and officers to develop its business and operations, the relationships that those directors and officers have developed with space owners, marketing and technological partners, and the Company’s ability to attract and retain key technical, sales and marketing staff or consultants. The Company currently has a limited marketing budget, only plans to hire a few staff during the next 14 months and relies on outside companies for some of its support. The loss of any key person or relationship or the inability to find and retain new key persons or develop new relationships could have a material adverse effect on the Company’s business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact operations.

Loss of Key Personnel

The Company depends on the continued service and performance of our key personnel, including Judeh Siwady, the Chief Executive Officer, Alyas Ali and Moya Semaan. Some of these individuals have acquired specialized knowledge and skills with respect to Spacefy and its operations. As a result, if any of these individuals were to stop providing services to the Company, it could face substantial difficulty in hiring qualified successors and could experience a loss of productivity while any such successor obtains the necessary training and expertise. The loss of key personnel, including key members of the management team, as well as certain key technology personnel, could disrupt operations and have an adverse effect on the Company’s ability to grow its business.

Management of Growth and Competition for Key Personnel

The Company’s management anticipates rapid growth and plans to capitalize on this growth. Future operating results will depend on management's ability to manage this anticipated growth, hire and retain qualified employees, properly generate revenues and control expenses. The Company believes that future success depends in large part on the Company’s ability to hire, train, retain and leverage the skills of qualified developers and other highly skilled personnel needed to maintain and grow the Company and develop and successfully implement its strategic business objectives. Competition for key technical personnel in high-technology industries such as the one that Spacefy operates within may be difficult. The Company may not be successful recruiting, training, retaining and utilizing these highly skilled personnel. In particular, the Company may have more difficulty attracting or retaining highly skilled personnel during periods of poor operating performance. Any failure to recruit, train and retain highly skilled employees could negatively impact the business and results of operations. Furthermore, a decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could also have a material adverse effect on the Company’s business, results of operations, cash flows and financial condition.

Industry-Related Risks and Economic Risks

Global Financial Conditions

The volatility of global capital markets in the past few years has generally made the raising of capital by equity or debt financing more difficult, and the Company may be dependent upon capital markets to raise additional financing. As such, the Company is subject to liquidity risk in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If these levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Shares could be adversely affected.

The growth and volatility of the creative entertainment industries, such as the movie industry or the music industry, that the Company relies on for its revenues are unpredictable and experience large boom and bust periods where investment in these industries expands and contracts. The Company must capitalize on the boom periods while planning and conserving capital through the bust periods.

Payment transactions on the Spacefy Platform may subject the Company to regulatory requirements and other risks that could be costly and difficult to comply with or that could harm the business of the Company. Payments on the Spacefy Platform are handled by PayPal, a third party payment processing solution that allows the Company to accept payments by major payment cards as well as through the proprietary Paypal system. The Company is subject to a number of risks related to payments processed through Paypal, including:

- transactional and other fees, which may increase operating expenses;
- increased costs and diversion of management time and effort and other resources to deal with fraudulent transactions or chargeback disputes;
- restrictions on funds or required reserves related to payments; and
- additional disclosure and other requirements, including new reporting regulations and new credit card association rules.

The Company is currently subject to a variety of laws and regulations in Canada, the United States and elsewhere related to payment processing, including those governing cross-border and domestic money transmission, and other prepaid access instruments, electronic funds transfers, foreign exchange, anti-money laundering, counter-terrorist financing, banking and import and export restrictions. Depending on how the Spacefy Platform and any other merchant solutions evolve, the Company may be subject to additional laws in Canada, the United States and elsewhere. In some jurisdictions, the application or interpretation of these laws and regulations is not clear. Efforts to comply with these laws and regulations could be costly and result in diversion of management time and effort and may still not guarantee compliance. In the event that the Company is found to be in violation of any such legal or regulatory requirements, it may be subject to monetary fines or other penalties such as a cease and desist order, or it may be required to make changes to its platform, any of which could have an adverse effect on its business, financial condition and results of operations.

PROMOTERS

For the purpose of the Offering, Judeh Siwady, Alyas Ali, Moya Semaan and Bradley Scharfe may each be considered to be a "promoter" of the Company within the meaning of applicable securities legislation.

None of the promoters are selling any Shares pursuant to the Offering.

Upon completion of the Offering, it is expected that Judeh Siwady, Alyas Ali, Moya Semaan and Bradley Scharfe, either directly or indirectly, will have direction and voting control over 3,489,500 Shares, representing a 14.6% interest in the Company on an undiluted basis. See "*Principal Shareholders*" and "Risk Factors".

Other than compensation paid to the Named Executive Officers, the Company's promoters have not ever received anything of value in their capacity as promoters of the Company. The Company has no plans to provide anything of value to its promoters in the foreseeable future.

See "*Executive Compensation*", "*Principal Shareholders*", "*Directors and Executive Officers*", "*Interests of Management and Others in Material Transactions*" and "*Material Contracts*" for additional disclosure concerning the Company's promoters.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not currently a party to any material litigation or regulatory proceedings and management of the Company is not aware of any threatened or pending litigation or regulatory proceeding against the Company as of the date of this Prospectus that could have a material adverse effect on our business, operating results, or financial condition.

Management of the Company are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against the Company, nor has the Company has not entered into any settlement agreements before a court or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this Prospectus, no director, executive officer or shareholder of the Company that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the Shares, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

- Bradley Scharfe and Scharfe Holdings Inc., a company wholly owned by Bradley Scharfe, a director and Chairman of the Board of the Company each hold a promissory note for $35,000 and $25,000 respectively, representing funds that they have advanced to the Company. The notes each carry an interest rate of 12% per year and are repayable in full on demand.

- Scharfe Holdings Inc. holds an additional promissory note for $15,000 representing funds that it has advanced to the Company. The promissory note bears interest of 12% per annum and is due on demand. If the Company does not repay the principal and interest when demanded, interest will be calculated on the unpaid balance from that point forward at 18% per annum.

See "*Description of the Business*", "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*", "*Principal Shareholders*", "*Directors and Executive Officers*" and "*Material Contracts*".

RELATIONSHIP BETWEEN ISSUER AND AGENT

The Company is a connected issuer to the Agent, Leede Jones Gable Inc. due to a Loan Agreement dated

August 3, 2018, whereby the Agent loaned a total of $125,000 to the Company and the Company issued a total of 183,333 Shares to the Agent. As at the date of this prospectus, the Company is in full compliance with the terms of the Loan Agreement and has been since the inception of the loan. The loan is unsecured and the value of the loan has not changed since it was advanced other than a 10% per annum interest rate, compounded annually which is accruing on the face value of the loan.

The Company and the Agent had, at the time of the advancement of the loan, agreed that the Agent would act as the agent to this Offering, and were in the process of finalizing the Agency Agreement. The funds were advanced as a bridge loan so that the Company could meet certain commitments while the process of the Offering was being undertaken.

A portion of the proceeds of the Offering are intended to be used by the Company to repay this loan in full upon the Closing Date.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

BDO Canada LLP Chartered Professional Accountants and Licensed Public Accountants located at, 60 Columbia Way, Suite 300 Markham, ON L3R 0C9 is the auditor of the Company and has confirmed that it is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The Company's transfer agent, registrar and Escrow Agent is Computershare Investor Services Inc. of 100 University Ave, Toronto, ON M5J 2Y1.

MATERIAL CONTRACTS

This Prospectus includes a summary description of certain of the Company's material agreements. The summary description discloses all attributes material to an investor in the Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at *www.sedar.com* under the Company's profile. Investors are encouraged to read the full text of such material agreements. The following are the Company's only materials contracts, excluding those made in the ordinary course of business:

1. Agency Agreement (See "*Prospectus Summary*" and "*Plan of Distribution*").

2. Escrow Agreement (See "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*")

3. Loan Agreement (See "*Relationship Between the Issuer and the Agent*")

Copies of the foregoing documents will be available on SEDAR at *www.sedar.com*.

EXPERTS

The financial statements as of December 31, 2016 and 2017 included in this Prospectus have been audited by BDO Canada LLP Chartered Professional Accountants and Licensed Public Accountants located at, 60 Columbia Way, Suite 300 Markham, ON L3R 0C9, an independent public accounting firm, as stated in their report appearing herein. BDO Canada LLP has confirmed that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Certain legal matters in connection with the Offering will be passed upon on behalf of the Company by Stikeman Keeley Spiegel LLP, Toronto, Ontario, and on behalf of the Agent by Salley Bowes Harwardt Law Corp., Vancouver, BC.

OTHER MATERIAL FACTS

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

RIGHTS OF WITHDRAWAL AND RESCISSION

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

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

FINANCIAL STATEMENT DISCLOSURE

The Audited Financial Statements of the Company for the years ended December 31, 2016 and 2017 and the Interim Financial Statements for the three and six month periods ended June 30, 2018 are included herein.

SPACEFY INC.

Audited Financial Statements

For the years ended December 31, 2016 and 2017

and

Interim Financial Statements

For the three and six months ended June 30, 2018 and 2017

SPACEFY INC.

Financial Statements
For the years ended December 31, 2017 and December 31, 2016

(Expressed in Canadian Dollars)

BDO

Tel: 905 946 1066
Fax: 905 946 9524
www.bdo.ca

BDO Canada LLP
60 Columbia Way, Suite 300
Markham, ON L3R 0C9 Canada

Independent Auditor's Report

To the Directors of
Spacefy Inc.

We have audited the accompanying financial statements of Spacefy Inc., which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Spacefy Inc. as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements, which describes that Spacefy Inc. has incurred losses to date and has an accumulated deficit of $1,749,729 as at December 31, 2017. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 8, 2018

SPACEFY INC.

Statements of Financial Position as at December 31, 2017 and December 31, 2016
(Expressed in Canadian Dollars)

	Notes	2017	2016
ASSETS			
Current assets			
Cash		**$ 4,675**	$ 4,776
Cash held in trust	11	**31,100**	-
Total cash		**35,775**	4,776
Accounts receivable	5	**23,325**	6,218
Prepaid expenses	6	**105,365**	100,000
Total current assets		**164,465**	110,994
Non-current assets			
Property and equipment	7	**1,066**	1,447
Intangible assets	4,8	**58,366**	75,483
Total non-current assets		**59,432**	76,930
Total Assets		**$ 223,897**	$ 187,924
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 200,243**	$ 90,627
Current portion of loans from related parties	9	**179,076**	366,351
Total current liabilities		**379,319**	456,978
Non-current liabilities			
Loans from related parties	9	**87,725**	-
Total liabilities		**467,044**	456,978
Shareholders' deficiency			
Share capital	11	**920,712**	793,412
Preferred shares to be issued	11	**5,000**	-
Warrants	11	**28,535**	28,535
Contributed surplus	9,11	**552,335**	36,558
Deficit		**(1,749,729)**	(1,127,559)
		(243,147)	(269,054)
Total Liabilities and Shareholders' Deficiency		**$ 223,897**	$ 187,924

See accompanying notes to the financial statements

Approved on behalf of the Board of Directors:

"Judeh Siwady"	*"Bradley Scharfe"*
Director	Director

SPACEFY INC.

Statements of Comprehensive Loss for the years ended December 31, 2017 and December 31, 2016
(Expressed in Canadian Dollars)

	Notes		2017		2016
REVENUE					
Commission revenue		$	3,135	$	2,030
Other			-		1,211
			3,135		3,241
EXPENSES					
General and administrative			134,289		111,362
Finance costs	9		9,209		5,681
Research and development			9,911		23,128
Sales and marketing			63,860		36,193
Operations and customer support	9		289,131		221,430
Amortization of intangible assets	8		17,117		17,117
Depreciation of equipment	7		381		381
Stock option expense	11		5,407		18,836
Share based compensation	11		96,000		263,252
			625,305		697,380
Net loss and total comprehensive loss		$	(622,170)	$	(694,139)
Loss per share					
Basic	12	$	(0.04)	$	(0.05)
Diluted	12	$	(0.04)	$	(0.05)

See accompanying notes to the financial statements

SPACEFY INC.

Statements of Changes in Equity (Deficiency) for the years ended December 31, 2017 and December 31, 2016
(Expressed in Canadian Dollars)

	Share Capital Common Shares (Note 11)	Share Capital - Preferred Shares (Note 11)	Warrants	Contributed Surplus	Deficit	Total
	$	$	$	$	$	$
Balance at December 31, 2015	862,660	-	26,125	17,722	(433,420)	473,087
Share based compensation	26,800	-	-	-	-	26,800
Stock option expense	-	-	-	18,836	-	18,836
Purchase of domain name	-	-	2,410	-	-	2,410
Engagement Lab return of shares	(96,048)	-	-	-	-	(96,048)
Net loss for the year	-	-	-	-	(694,139)	(694,139)
Balance at December 31, 2016	**793,412**	**-**	**28,535**	**36,558**	**(1,127,559)**	**(269,054)**
Share based compensation	96,000	-	-	-	-	96,000
Stock option expense	-	-	-	5,407	-	5,407
Loan from related party	-	-	-	7,221	-	7,221
Settlement of related party debt (Note 9)	-	-	-	503,149	-	503,149
Shares issued on private placement	36,300	-	-	-	-	36,300
Shares to be issued on private placement	-	5,000	-	-	-	5,000
Share issuance costs	(5,000)	-	-	-	-	(5,000)
Net loss for the year	-	-	-	-	(622,170)	(622,170)
Balance at December 31, 2017	**920,712**	**5,000**	**28,535**	**552,335**	**(1,749,729)**	**(243,147)**

See accompanying notes to the financial statements

SPACEFY INC.

Statements of Cash Flows for the years ended December 31, 2017 and December 31, 2016
(Expressed in Canadian Dollars)

	2017	2016
Cash flows from operations		
Net loss for the year	**$ (622,170)**	$ (694,139)
Items not affecting cash:		
Stock option expense	**5,407**	18,836
Share based marketing and consulting compensation	**96,000**	263,252
Amortization of intangible assets	**17,117**	17,117
Depreciation of equipment	**381**	381
Finance costs on related party loan (Note 9)	**9,209**	5,681
Non-cash consulting expense	**-**	3,887
Changes in non-cash working capital		
Accounts receivable	**(6,907)**	20,908
Prepaid expenses	**(5,365)**	-
Accounts payable and accrued liabilities	**109,989**	76,407
	(396,339)	(287,670)
Cash flows from investing activities		
Cash held in trust (Note 11)	**(31,100)**	-
Purchase of intangible assets (Note 4 and 8)	**-**	(20,000)
	(31,100)	(20,000)
Cash flows from financing activities		
Issuance of common shares for cash, net of costs	**21,100**	-
Proceeds of preferred shares to be issued	**5,000**	-
Loan received from shareholders	**120,000**	-
Loan received from Avonhurst Capital Corp. (Note 9)	**281,238**	220,000
	427,338	220,000
Net change in cash	**(101)**	(87,670)
Cash ï beginning of year	**4,776**	92,446
Cash ï end of year	**$ 4,675**	$ 4,776

Non-Cash Investing and Financing Transactions (Notes 4, 11 and 15)

See accompanying notes to the financial statements

1. CORPORATE INFORMATION

Spacefy Inc. (the “Company” or “Spacefy”) hosts an online marketplace connecting individuals and businesses in the creative industry to space owners who can provide locations best suited to their project needs. The Company has only one reportable segment. All non-current assets are located and revenues are generated in Canada.

The company was incorporated on August 25, 2014 under the laws and regulations of the Ontario Business Corporations Act. The registered office and principal place of business is Suite 300, 110 Spadina Avenue, Toronto, ON M5V 2K4. The financial statements were authorized for issue on June 8, 2018 by the directors of the Company.

Going concern

These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, the Company has experienced net losses to date and has an accumulated deficit of $1,749,729. Although the Company believes it will be successful, there is no guarantee the Company will attain its goal of a successful online marketplace. As a result, there is material uncertainly about the Company’s ability to continue as a going concern.

These statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. Management is of the opinion that working capital will be obtained from future cash flows by achieving profitable operations through continuing to manage expenditures and concentrating on building upon the revenue level. Any shortfalls in liquidity will be met via external financing.

2. BASIS OF PRESENTATION

a) Basis of Presentation

These financial statements are prepared on a going concern basis and have been presented in Canadian dollars, the functional currency of the Company.

These financial statements have been prepared in accordance with International Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and are presented in Canadian dollars, which is also the Company’s functional currency.

These financial statements have been prepared on the historical cost basis, with the exception of items that IFRS requires to be carried at fair value, as explained in the accounting policies set out in Note 3.

2. BASIS OF PRESENTATION (continued)

Certain new standards, interpretations, amendments and improvements to existing standards have been issued by the IASB and become applicable at a future date. The standards impacted that may be applicable to the Company are as follows:

(i) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued this standard which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. This standard is effective January 1, 2018 and allows for early adoption. The Company is currently evaluating the anticipated impact of adopting this standard on the financial statements.

(ii) IFRS 9, Financial Instruments:

In July 2014, the IASB issued this standard which replaces IAS 39, Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2018, and allows earlier adoption. The standard introduces a new model for the classification and measurement of financial assets, a single expected credit loss model for the measurement of the impairment of financial assets, and a new model for hedge accounting that is aligned with a company's risk management activities. The Company is currently evaluating the anticipated impact of adopting this standard on the financial statements.

(iii) June 2016: IASB clarifies the classification and measurement of share-based payment transactions

In June 2016, the International Accounting Standards Board (IASB) published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments are effective January 1, 2018 and early adoption is permitted. The Company is evaluating the anticipated impact on adopting this standard on the financial statements.

(iv) IFRS 16, Leases:

In January 2016, the IASB issued this standard, which brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases and requires all leases, including operating and financing to be reported on a company's balance sheet. IFRS 16 supersedes IAS 17, Leases, and related interpretations and is effective for periods beginning on or after January 1, 2019, which earlier adoption permitted if IFRS 15, Revenue from Contracts with Customers, has also been applied. The Company is currently evaluating the anticipated impact on adopting this standard on the financial statements.

2. BASIS OF PRESENTATION (continued)

b) Accounting judgments and use of estimates:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

i. Development phase of internally generated intangible assets

The classification of costs for internally generated intangible assets into the research and development phase is subject to judgment. Refer to Note 3(d) for accounting policy for intangible assets.

ii. Impairment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Judgment is required in establishing whether there are indicators of impairment related to these assets such as changes in market price, the extent or manner in which it is being used or in its physical condition, operations and business environment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

iii. Determination of fair values using option pricing models

The Company measures the cost of equity-settled transactions consisting of share purchase options and warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

iv. Acquisitions

The assessment of whether an acquisition constitutes a business is subject to judgement and requires the Company to review whether the acquired operations contain all three elements of a business including inputs, processes and the ability to create output. The measurement of identifiable assets acquired and liabilities assumed at fair value, and contingent consideration, on the date of acquisition is subject to management estimation.

v. Determination of the fair value for the loan from related party

The Company recognizes the loan from SB2 Group Inc. initially at fair value and it is considered Level 3 in the fair value hierarchy for financial instruments. The valuation model considered the present value of expected payments, discounted using a risk-adjusted discount rate. The significant unobservable input used is the risk-adjusted discount rate of 3.25% that reflects the credit risk of the counterparty.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash comprises cash on hand, deposits and guaranteed investment certificates that can be readily converted to cash.

b) Cash held in Trust

Cash raised by the Company through financing is held in a trust account.

c) Property and equipment

On initial recognition, property and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company. Property and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment. Property and equipment is depreciated on a straight line basis over the estimated useful lives. The annual depreciation rates for furniture, fixtures and equipment is 5 years. All major repairs and maintenance costs are recognized as expense in the statement of comprehensive loss.

d) Intangible assets

Intangible assets are acquired and/or internally generated; all costs incurred during the research phase of development are expensed.

The amount recognized as intangible assets from the development of the Company's website represent amounts whereby technical feasibility, intention to complete the project, ability to use the website, probability of generating future economic benefits, availability of adequate technical, financial and other resources to complete the project and ability to measure reliably the expenditure attributable to the intangible asset during its development can be demonstrated. Acquired and internally generated intangible assets are recognized at cost and amortized on a straight line basis over the estimated useful life of the assets. The Company amortizes the website development costs at 3 years, location (TFL) non-compete asset at 3 years and the listing of TFL location spaces (customer relationship) at 10 years. The TFL and Bruno Kebran domain name and trademark acquired are not subject to amortization as they are assessed to have an indefinite life and are reviewed annually for impairment.

e) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. They are offset only when they arise in the same legal entity and jurisdiction.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Impairment of Non-financial Assets

Carrying values of property and equipment and intangible assets with a finite useful life are tested for impairment whenever an indicator of such impairment exists. The carrying values of intangible assets with an indefinite useful life are reviewed for impairment on an annual basis. If any indication of impairment exists, an estimate of the assetõs recoverable amount is calculated. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Companyõs assets. If this is the case, the individual assets are grouped together into cash generating units (ôCGUö) for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets. The recoverable amount is determined as the higher of the fair value less cost to sell for the asset and the assetõs value in use being the present value of the expected future cash flows of the relevant asset or CGU.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount to its recoverable amount (i.e. the higher of fair value less cost to sell and value in use). Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

g) Financial Instruments

The Companyõs financial assets are classified as loans and receivables determined at initial recognition. The financial assets comprise cash and accounts receivable. The Company has not classified any of its financial assets as financial assets at fair value through profit or loss, available-for-sale, or held to maturity.

All financial assets are recognized initially at fair value plus directly attributable transaction costs. A financial asset is derecognized when the rights to receive cash flows from the asset have expired. When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Companyõs continuing involvement in it.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognized in profit or loss.

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for each financial asset. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred ôloss eventö) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

If there is objective evidence that an impairment has been incurred, the amount of the loss is measured as the difference between the assetsô carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assetòs original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment.

The Companyòs financial liabilities are classified as other financial liabilities upon initial recognition. All financial liabilities are recognized initially at fair value net of directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of comprehensive loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

h) Share Capital

The Companyòs share capital includes the following:

(i) Proceeds from the exercise of stock options, warrants and purchase of shares are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

(ii) Share capital issued for services received from third parties is recorded at an amount based on the fair market value of the services received.

(iii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the stock price on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share-based Payments

Where equity settled share options are awarded to employees, the fair value of the options are measured at the date of grant for each tranche and expensed on a straight line basis over the vesting period, based on an estimate of options that are expected to vest with a corresponding increase in equity (contributed surplus). The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, any changes in the original estimate of the options expected to vest is recognized in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity. Where shares are granted to persons other than employees, share capital is increased for the fair value of goods and services received.

j) Warrants

Warrants issued are classified separately as equity in accordance with the terms of the contractual arrangement and the definitions of a financial liability and an equity instrument. See Note 11 (Share capital) for terms.

k) Earnings (Loss) per Share

Basic earnings per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

l) Revenue Recognition

The Company generates its revenue from listing services provided to space owners and renters. It charges property owners and renters a fixed percentage of rent paid by site visitors to rent locations listed by property owners.

The Company recognizes revenue based on the following criteria: when persuasive evidence that an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Under the agency model, the Company acts as the agent in the transaction, passing bookings reserved by the site renter to the relevant space owner for which it charges commissions from the renter. Revenue is therefore recognized on a net basis as the services are provided as an agent without assuming the risks and rewards involved.

To drive traffic on the website, the Company provides incentives to space owners in the form of discounts. These incentives are generally treated as reductions in revenue.

(Expressed in Canadian Dollars)

4. ACQUISITION OF DOMAIN NAME

On August 1st, 2016 the Company acquired certain assets namely domain names ñspacefy.comò, ñspacefy.ukò and ñspacefy.co.ukò from Kebran Ventures and loudlif.com WW Inc. The total consideration for these assets is $20,000 in cash and 50,000 warrants in Spacefy Inc. Each warrants entitles the holder to acquire 1 common share of the Company at an exercise price of $0.20 during the period commencing on the date of acquisition and ending on August 2, 2019.

The Fair Value of Assets acquired was valued at $22,410 and have been classified as intangible assets.

The breakdown of total purchase price is as follows:

Cash	$	**20,000**
Warrants		**2,410**
	$	**22,410**

On June 16, 2015, the Company acquired 100% ownership in the business assets of TFL Properties by paying $25,000 cash, a warrant agreement to acquire 50,000 shares of the Company and a revenue sharing agreement. This was accounted for as an asset acquisition.

The Fair Value of Assets acquired is as follows:

Domain name	$	**11,200**
Listing of locations		**4,993**
Non-compete agreement		**614**
Prepaid consulting services		**9,333**
	$	**26,140**

The domain name, list of locations and non-compete agreement have been classified as intangible assets while the
consulting services have been classified as prepaid services.

The breakdown of total purchase price is as follows:

Cash	$	**25,000**
Warrants		**1,140**
	$	**26,140**

The contingent consideration is payable based on a percentage of gross rental commissions received by the Company from any TFL properties acquired or new properties introduced to Spacefy by previous owners at the following rates: 30% in year one, 20% in year two and 10% in year three. The fair value had been assessed at $nil.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

		2017		2016
Other Receivable	$	10,200	$	-
Sales Tax Receivable		13,125		6,218
	$	23,325		$ 6,218

6. PREPAID EXPENSES

Prepaid amounts comprise amounts paid in advance at year end for consulting and marketing services to be received, and other costs.

		2017		2016
Bullvestor Medien	$	50,000	$	50,000
Share issue costs (Note 11 (c))		5,365		-
Loud Media and Awareness		50,000		50,000
	$	105,365	$	100,000

7. PROPERTY AND EQUIPMENT

		2017		2016
COST				
Balance at January 1	$	1,903	$	1,903
Additions		-		
Balance at December 31	$	1,903	$	1,903

ACCUMULATED DEPRECIATION		2017		2016
Balance at January 1	$	456	$	75
Depreciation		381		381
Balance at December 31	$	837	$	456
NET BOOK VALUE AT DECEMBER 31	$	1,066	$	1,447

(Expressed in Canadian Dollars)

8. INTANGIBLE ASSETS

	Domain name	Listing of Locations	Non-Compete Agreement	Website	Trademark	Total
COST						
Balance at January 1, 2016	$ 11,200	$ 4,993	$ 614	$ 49,240	$ 7,634	$ 73,681
Additions	22,410	-	-	-	-	22,410
Balance at December 31, 2016	$ 33,610	$ 4,993	$ 614	$ 49,240	$ 7,634	$ 96,091
Additions	-	-	-	-	-	-
Balance at December 31, 2017	**$ 33,610**	**$ 4,993**	**$ 614**	**$ 49,240**	**$ 7,634**	**$ 96,091**

	Domain name	Listing of Locations	Non-Compete Agreement	Website	Trademark	Total
ACCUMULATED AMORTIZATION						
Balance at January 1, 2016	$ -	$ 125	$ 119	$ 3,247	$ -	$ 3,491
Amortization	-	500	204	16,413	-	17,117
Balance at December 31, 2016	$ -	$ 625	$ 323	$ 19,660	$ -	$ 20,608
Amortization	-	500	204	16,413	-	17,117
Balance at December 31, 2017	**$ -**	**$ 1,125**	**$ 527**	**$ 36,073**	**$ -**	**$ 37,725**

	Domain name	Listing of Locations	Non-Compete Agreement	Website	Trademark	Total
NET BOOK VALUE AT DECEMBER 31, 2016	$ 33,610	$ 4,368	$ 291	$ 29,580	$ 7,634	$ 75,483
NET BOOK VALUE AT DECEMBER 31, 2017	**$ 33,610**	**$ 3,868**	**$ 87**	**$ 13,167**	**$ 7,634**	**$ 58,366**

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Loans from related parties:		2017		2016
Due to SB2 Group Inc.	**$**	**144,270**	$	146,351
Due to Scott Paterson		**61,214**		-
Due to Scharfe Holdings		**25,304**		-
Due to Brad Scharfe		**36,013**		-
Due to Avonhurst Capital Corp.		**-**		220,000
Loan from related parties	**$**	**266,801**	$	366,351

SB2 Group Inc. ("SB2") is related to the Company since Michael Bradley is a director of both SB2 and the Company. The amount payable of $150,000 in 2017 ($150,000 in 2016) was originally non-interest bearing, unsecured and was due on August 15, 2017. This loan was amended on August 1, 2017 to replace the original repayment date of August 15, 2017. The Amendment includes a fixed principal repayment schedule of thirty monthly installments of $5,000 payable to SB2 commencing January 2018. The repayment schedule was subsequently amended effective January 1, 2018 to commence the installment payments in September 2018 with the final payment due in February 2021. All other terms of the original loan agreement were unchanged and no additional costs or fees were incurred on this amendment.

The fair value of this financial liability was determined using a 3.25% interest rate over the term period of the loan and repayment. The difference in fair value of loan and cash received has been classified in contributed surplus. Interest expense is being recognized over the term of the loan, utilizing the effective interest rate method.

During the year, the Company was charged $30,000 ($10,000 in 2016) in rent by SB2 Group Inc. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. At December 31, 2017, $33,183 ($8,508 in 2016) owing to SB2 Group Inc. was included in accounts payable and accrued liabilities.

On December 6, 2017, the Company issued a $25,000 promissory note to Scott Paterson. Scott Paterson is a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $201.

On November 24, 2017, the Company issued a $25,000 promissory note to Scharfe Holdings. Scharfe Holdings is owned by a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $304.

On October 4, 2017, 2017, the Company issued a $35,000 promissory note to Brad Scharfe, a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $1,013.

On October 4, 2017, 2017, the Company issued a $35,000 promissory note to Scott Paterson, a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at December 31, 2017, the amount includes accrued interest of $1,013.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Avonhurst Capital Corp. is related to the Company since the Chairman of the Company (Bradley Scharfe), indirectly has beneficial ownership of and control and direction over, voting securities carrying 12.7% of the voting rights attached to the outstanding securities of Avonhurst Capital Corp. On June 17, 2016, the Company signed a promissory note with Avonhurst Capital Corp. to provide financing of up to $260,000 to the Company. The Company received $220,000 of financing for working capital as of December 31, 2016. As per the terms of the promissory note, the Company is liable to pay interest on this loan at 0.5% per annum of which $373 has been accrued in 2016. The principal amount of the loan is unsecured.

On July 26th, 2016, the Company signed a Letter of Intent ("LOI") to sell all of the issued and outstanding shares of the Company to Avonhurst Capital Corp. The transaction valued the Company at $3,535,375 made up of approximately 14,141,500 common shares of Avonhurst Capital Corp at a deemed price of $0.25 per share and Warrants exercisable for a period of 24 months at a price of $0.40 per share. The LOI was subsequently amended on October 15, 2016 to terminate on the earlier of March 15, 2017 or if Avonhurst Capital Corp. fails to provide $40,000 per month in working capital for the Company as per the terms of the promissory note. On October 18, 2017, the LOI was terminated.

In December 2017, the Company settled $503,149 (being the full amount of principal and interest owing to Avonhurst) with the issuance of 2,500,000 common share purchase warrants. Each common share purchase warrant is exercisable into one common share at an exercise price of $0.20 for a period of 24 months. The warrants were assigned a total value of $nil using the Black Scholes option pricing model using the assumptions noted in Note 11(e). The issuance of the shares resulted in a gain on settlement of debt in the amount of $503,149 based on the fair market value on the date of issuance. The gain was deemed to be a capital transaction and therefore was recorded in contributed surplus due to the shareholderȇs of the Company owning 53.96% of Avonhurst Capital Corpȇs shares at December 31, 2017 (50.16% - 2016).

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2017, the Companyȇs key management personnel consist of its directors and senior management (Chief Executive Officer and Co-Founders). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

Nature of Transactions		**2017**		2016
Management fees and salaries	**$**	**276,000**	$	181,125
Stock based compensation		**64,450**		43,404
	$	**340,450**	$	224,529

(Expressed in Canadian Dollars)

10. COMMITMENTS AND CONTINGENCIES

As part of the Boardòs ongoing compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Company. The Company takes legal advice as to the potential outcomes of claims and actions and provisions are made where appropriate. No provision is made where the directors consider, based on that advice, that the action does not meet the probable criteria. Contingent liabilities are disclosed where the Company cannot make a sufficiently reliable estimate of the potential obligation.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Company.

11. SHARE CAPITAL

a) Authorized and Issued Share Capital

The Companyòs authorized share capital consists of an unlimited number of common shares and preferred shares without par value.

b) Share Capital Transactions – Common Shares

	Number of share		Amount
As at December 31, 2015	14,007,500	$	862,660
Issuance of shares (i)	134,000		26,800
Engagement Lab shares returned (ii)	(480,000)		(96,048)
As at December 31, 2016	**13,661,500**	**$**	**793,412**
Issuance of shares (iii)	480,000		96,000
Issuance of shares (iv)	1,815,000		36,300
Share issue costs	-		(5,000)
As at December 31, 2017	**15,956,500**	**$**	**920,712**

i. On March 16, 2016, the Company granted 134,000 Restricted Stock Units to senior management as compensation for services in lieu of payroll for the period March 15, 2016 to April 30, 2016.

ii. As of November 1, 2016, the Company signed a termination and mutual release agreement with Engagement Labs to return 480,000 Spacefy common shares at a share price of $0.20 to treasury as partial consideration for $96,000 worth of services no longer to be provided by Engagement Labs. In addition, Engagement Labs agreed to re-imburse Spacefy $2,500 for legal costs associated with this negotiation.

iii. On January 1, 2017, the Company granted 480,000 restricted stock units (ñRSUò) to senior management and advisors to vest on performance and deliverables being declared satisfactory by the Board. They vested on March 31, 2017. The fair value of the RSUs was $0.20 per common share.

iv. On December 31, 2017, the Company closed a private placement financing for gross proceeds of $36,300 through the issuance of 1,815,000 common shares at an issue price of $0.02 per share. $26,100 of the gross proceeds are included in the cash held in trust amount at year-end, and $10,200 of the gross proceeds are included in the accounts receivable amount as at year-end. The Company paid legal fees of $5,000 in relation to this placement and it was recorded as share issue costs.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

c) Shares to be issued– Preferred shares

Subsequent to the year end, the Company closed a private placement financing for gross proceeds of $395,000 through the issuance of 395,000 preferred shares at an issue price of $1.00 per share. Each preferred share automatically converts into 20 common shares upon the issuance of a receipt by a securities regulator or regulatory authority in Canada qualifying as freely tradable Common Shares issuable on exercise of Preferred Shares. As at December 31, 2017, the Company received $5,000 of the total proceeds, which are included in the cash held in trust amount as at year-end. Legal fees of $5,365 were charged and have been recorded as prepaid share issue costs.

d) Stock Options

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company to officers, directors, employees, and consultants. The exercise price of each option is to be determined by the Board of Directors. Stock options granted vest over the period determined by the Board of Directors.

Details of stock option transactions are as follows:

	Number of options	Weighted average exercise price of options
Outstanding, January 01, 2016	650,000	0.07
Granted	375,000	0.25
Forfeited	-	-
Exercised	-	-
Outstanding, December 31, 2016	1,025,000	0.14
Granted	75,000	0.25
Outstanding, December 31, 2017	**1,100,000**	$ 0.14

The weighted average fair value of options granted for the year ended December 31, 2017, is $2,138 (2016: $14,288).

The fair value of each option was estimated on the date of the grant using the Black-Scholes fair value option pricing model. The following assumptions were used for options issued in the current period:

	Year ended December 31, 2017	Year ended December 31, 2016
Risk-free interest rate	**0.75%**	0.50%
Volatility	**31.2%**	38.7%
Share price	**$ 0.20**	$ 0.20
Exercise price	**$ 0.25**	$ 0.25
Dividend yield	**-**	-
Forfeiture rate	**-**	-
Weighted average expected life of options	**3 years**	3 years

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

The following table summarizes the information regarding stock options outstanding as at December 31, 2017:

Exercise price per share	Number outstanding	Weighted average life (years)	Number exercisable
0.07	370,000	2.46	231,250
0.07	230,000	0.45	230,000
0.07	50,000	2.46	31,250
0.25	375,000	1.04	375,000
0.25	75,000	2.13	75,000
	1,100,000	1.53	942,500

For the year ended December 31, 2017, the Company recorded stock option expense of $5,407 (2016: $18,836).

e) Warrants

In August 2016, the Company issued 50,000 warrants in Spacefy Inc. as part of the consideration for acquisition of domain name. Each warrant entitles the holder to acquire 1 common share of the Company at an exercise price of $0.20 during the period commencing on the date of acquisition and ending on August 2, 2019.

In December 2017, the Company issued 2,500,000 warrants to settle a promissory note (see Note 9).

The following table summarizes the information regarding warrants outstanding as at December 31, 2017:

	Number of shares	Amount
As at December 31, 2016	2,612,500	$ 26,125
Warrants issued for Domain acquisition	50,000	2,410
As at December 31, 2016	2,662,500	28,535
Warrants issued to settle debt	2,500,000	-
As at December 31, 2017	5,162,500	$ 28,535

The fair value of each warrant was estimated on the issuance date using the Black-Scholes fair value pricing model. The following assumptions were used for warrants issued in the current period:

	Year ended December 31, 2017	Year ended December 31, 2016
Risk-free interest rate	**1.68%**	0.54%
Volatility	**38.7%**	34.5%
Share price	**$ 0.02**	$ 0.20
Exercise price	**$ 0.20**	$ 0.20
Dividend yield	**-**	-
Forfeiture rate	**-**	-
Weighted average expected life of options	**2 years**	3 years

(Expressed in Canadian Dollars)

12. EARNINGS (LOSS) PER SHARE

The computations for basic and diluted earnings (loss) per share are as follows:

		2017		2016
Net loss used in:				
Basic earnings (loss) per share	$	(622,170)	$	(694,139)
Diluted earnings (loss) per share	$	(622,170)	$	(694,139)
Weighted average number of common shares as basis for:				
Basic earnings (loss) per share		14,140,185		14,033,583
Diluted earnings (loss) per share		17,961,726		17,691,917
Earnings (loss) per share:				
Basic	$	(0.04)	$	(0.05)
Diluted	$	(0.04)	$	(0.05)

All potential dilutive stock options and warrants were excluded from the dilutive calculations as they are anti-dilutive due to the loss for the period.

13. INCOME TAX

The Company's effective tax rate differs from the amount obtained by applying the Canadian statutory tax rate due to the following:

		December 31 2017		December 31, 2016
Loss before taxes	$	(622,170)	$	(694,139)
Canadian statutory tax rate		26.5%		26.5%
Income tax recovery		(164,875)		(183,947)
Items non-deductible for tax purposes		25,471		77,571
Settlement of related party debt		132,828		-
Deferred income tax recovery - unrecognized	$	(6,576)	$	(106,375)

(Expressed in Canadian Dollars)

13. INCOME TAX (continued)

The Company has not recognized a deferred tax asset in respect of the following:

		December 31, 2017		December 31, 2016
Deferred income tax assets related to:				
Nonï capital losses	**$**	**210,370**	$	212,319
Share issue costs		**1,060**		-
Property and equipment		**222**		90
Intangible assets		**8,214**		881
Total deferred income tax asset	**$**	**219,866**	$	213,290

As at December 31, 2017, the Company had non-capital losses in Canada of $793,849 that may be applied against future income for income tax purposes. If unused, these non-capital losses will expire 2034 onwards. The benefit of these credits has not been recognized in the financial statements.

14. FINANCIAL INSTRUMENTS

a) Categories of Financial Assets and Liabilities

The Companyǿs financial instruments are classified into the following categories:

		December 31 2017		December 31, 2016
Loans and receivables	**$**	**45,975**	$	4,776
Other financial liabilities	**$**	**467,044**	$	456,978

Financial instruments classified as loans and receivables consist of cash, cash held in trust and accounts receivable (excluding government receivable). Financial instruments classified as other financial liabilities consist of accounts payable and accrued liabilities and loans payable.

b) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

14. FINANCIAL INSTRUMENTS (continued)

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;

Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There were no transfers between levels during the year. The fair values of cash, accounts receivable, accounts payable and accrued liabilities and loans payable approximate their carrying value due to their short-term maturities or the effective interest rates approximating the fair values rates.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

c) Management of Risks Arising from Financial Instruments

The Company�s financial instruments are exposed to the following financial risks:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Management does not believe there is any significant credit risk from any of the Company's customers as orders are only processed after payment is received. The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. To manage cash credit risk, the Company only engages banks with appropriate credit ratings.

Currency risk

The Company generates all revenue in Canadian dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company�s financial liabilities are comprised of accounts payable and accrued liabilities and loans from related parties.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

The payments due by period are set out in the following tables:

As at December 31, 2017:

	Payment due by period			
	Less than one year	**Between one and five years**	**More than five years**	**Total**
Accounts Payable and accrued liabilities	$ 200,243	$ -	$ -	$ 200,243
Loan from related parties	182,531	90,000	-	272,531
	$ 382,774	**$ 90,000**	**$ -**	**$ 472,774**

As at December 31, 2016:

	Payment due by period			
	Less than one year	**Between one and five years**	**More than five years**	**Total**
Accounts Payable and accrued liabilities	$ 90,627	$ -	$ -	$ 90,627
Loan from SB2	146,351	-	-	146,351
Loan from Avonhurst Capital Corp.	220,000	-	-	220,000
	$ 456,978	**$ -**	**$ -**	**$ 456,978**

15. NON – CASH FINANCING ACTIVITIES

	Year ended December 31, 2017	Year ended December 31, 2016
Share based marketing & consulting compensation	**$ 96,000**	$ 45,636

On November 1, 2016, the Company signed a termination and mutual release agreement with Engagement Labs to return 480,000 Spacefy common shares at a share price of $0.20 to treasury as partial consideration for $96,000 worth of services no longer to be provided by Engagement Labs. In addition, Engagement Labs agreed to reimburse Spacefy $2,500 for legal costs associated with this negotiation.

16. CAPITAL MANAGEMENT

The Company’s capital management objectives are to ensure its ability to continue as a going concern and to grow its operations. The Company derives its financing from internally generated revenue and external sources. The capital structure of Spacefy currently consists of Shareholders’ equity and loans payable. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. This may involve Spacefy arranging more loans, issuing new shares through private placements, or selling assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

17. SUBSEQUENT EVENTS

See note 11(c).

SPACEFY INC.

Condensed Interim Financial Statements
For the three and six months ended June 30, 2018 (Unaudited)

(Expressed in Canadian Dollars)

SPACEFY INC.

Condensed Interim Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

	Notes	As at June 30, 2018	As at December 31, 2017
ASSETS			
Current assets			
Cash		**$ 9,436**	$ 4,675
Cash held in trust	11	**2,000**	31,100
Total cash		**11,436**	35,775
Accounts receivable	5	**20,962**	23,325
Prepaid expenses	6	**150,750**	105,365
Total current assets		**183,148**	164,465
Non-current assets			
Property and equipment	7	**876**	1,066
Intangible assets	4,8	**50,488**	58,366
Total non-current assets		**51,364**	59,432
Total Assets		**$ 234,512**	$ 223,897
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 179,112**	$ 200,243
Deferred revenue		**2,149**	-
Current portion of loans from related parties	9	**167,165**	179,076
Total current liabilities		**348,426**	379,319
Non-current liabilities			
Loans from related parties	9	**90,222**	87,725
Total liabilities		**438,648**	467,044
Shareholders' deficiency			
Share capital	11	**920,712**	920,712
Preferred shares	11	**388,035**	5,000
Warrants	11	**28,535**	28,535
Contributed surplus	9,11	**577,331**	552,335
Deficit		**(2,118,749)**	(1,749,729)
		(204,136)	(243,147)
Total Liabilities and Shareholders' Deficiency		**$ 234,512**	$ 223,897

See accompanying notes to the financial statements

Approved on behalf of the Board of Directors:

ñ*Judeh Siwady*ò	ñ*Bradley Scharfe*ò
Director	Director

SPACEFY INC.

Condensed Interim Statement of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2018	2017	Six months ended June 30, 2018	2017
REVENUE					
Commission revenue		**$ 272**	$ 262	**$ 1,213**	$ 472
Other		**-**	-	**311**	-
		272	262	**1,524**	472
EXPENSES					
General and administrative		**29,977**	21,787	**115,942**	47,105
Finance costs	**9**	**7,307**	1,887	**14,504**	3,650
Research and development		**2,730**	4,971	**2,730**	8,686
Sales and marketing		**22,491**	12,930	**36,903**	36,989
Operations and customer support	**9**	**96,923**	74,529	**190,654**	148,195
Amortization of intangible assets	**8**	**4,264**	4,279	**8,543**	8,558
Depreciation of equipment	**7**	**96**	95	**190**	190
Stock option expense	**11**	**539**	1,053	**1,078**	4,328
Share based compensation	**11**	**-**	-	**-**	96,000
		164,327	121,531	**370,544**	353,701
Net loss and total comprehensive loss		**$ (164,055)**	$ (121,269)	**$ (369,020)**	$ (353,229)
Loss per share					
Basic	**12**	**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.03)
Diluted	**12**	**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.03)

See accompanying notes to the financial statements

SPACEFY INC.

Condensed Interim Statement of Changes in Deficiency (Unaudited)
(Expressed in Canadian Dollars)

	Share Capital Common Shares (Note 11)	Share Capital Preferred Shares (Note 11)	Warrants	Contributed Surplus	Deficit	Total
	$	$	$	$	$	$
Balance at December 31, 2016	793,412	-	28,535	36,558	(1,127,559)	(269,054)
Share based compensation	96,000	-	-	-	-	96,000
Stock option expense	-	-	-	4,328	-	4,328
Net loss for the period	-	-	-	-	(353,229)	(353,229)
Balance at June 30, 2017	**889,412**	**-**	**28,535**	**40,886**	**(1,480,788)**	**(521,955)**
Balance at December 31, 2017	920,712	5,000	28,535	552,335	(1,749,729)	(243,147)
Stock option expense	-	-	-	1,078	-	1,078
Loan from related party	-	-	-	23,918		23,918
Shares issued on private placement (11(c))	-	390,000	-	-	-	390,000
Share issuance costs (11(c))	-	(6,965)	-	-	-	(6,965)
Net loss for the year	-	-	-	-	(369,020)	(369,020)
Balance at June 30, 2018	**920,712**	**388,035**	**28,535**	**577,331**	**(2,118,749)**	**(204,136)**

See accompanying notes to the financial statements

SPACEFY INC.

Condensed Interim Statement of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

	Six months ended June 30, 2018	2017
Cash flows from operations		
Net loss for the period	**$ (369,020)**	$ (353,229)
Items not affecting cash:		
Stock option expense	**1,078**	4,328
Share based marketing and consulting compensation	**-**	96,000
Amortization of intangible assets	**8,543**	8,558
Depreciation of equipment	**190**	190
Finance costs on related party loan (Note 9)	**14,504**	2,728
Changes in non-cash working capital		
Accounts receivable	**2,363**	1,111
Deferred revenue	**2,149**	-
Prepaid expenses	**(45,385)**	-
Accounts payable and accrued liabilities	**(21,131)**	15,553
	(406,709)	(224,761)
Cash flows from investing activities		
Cash held in trust	**29,100**	-
Additions of intangible assets	**(665)**	-
	28,435	-
Cash flows from financing activities		
Proceeds of issuance of preferred shares, net of costs	**383,035**	-
Loan received from Avonhurst Capital Corp. (Note 9)	**-**	226,239
	383,035	226,239
Net change in cash	**4,761**	1,478
Cash ï beginning of period	**4,675**	4,776
Cash ï end of period	**$ 9,436**	$ 6,254

Non-Cash Investing and Financing Transactions (Notes 4, 11 and 14)

See accompanying notes to the financial statements

1. CORPORATE INFORMATION

Spacefy Inc. (the ñCompanyò or ñSpacefyò) hosts an online marketplace connecting individuals and businesses in the creative industry to space owners who can provide locations best suited to their project needs.

The company was incorporated on August 25, 2014 under the laws and regulations of the Ontario Business Corporations Act. The registered office and principal place of business is Suite 300, 110 Spadina Avenue, Toronto, ON, M5V 2K4. The financial statements were authorized for issue on September 20, 2018 by the directors of the Company.

Going concern

These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. However, the Company has experienced net losses to date and has an accumulated deficit of $2,118,749. Although the Company believes it will be successful, there is no guarantee the Company will attain its goal of a successful online marketplace. As a result, there is material uncertainty about the Companyôs ability to continue as a going concern.

These statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. Management is of the opinion that working capital will be obtained from future cash flows by achieving profitable operations through continuing to manage expenditures and concentrating on building upon the revenue level. Any shortfalls in liquidity will be met via external financing.

2. BASIS OF PRESENTATION

a) Basis of Presentation

These financial statements are prepared on a going concern basis and have been presented in Canadian dollars, the functional currency of the Company.

The Condensed Interim Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards (ñIFRSò) and its interpretations adopted by the International Accounting Standards Board (ñIASBò) and in accordance with IAS 34, Interim Financial Reporting (ñIAS 34ò).

These financial statements have been prepared on the historical cost basis, with the exception of items that IFRS requires to be carried at fair value, as explained in the accounting policies set out in Note 3 to the Companyôs Audited Financial Statements for the years ended December 31, 2017 and 2016.

2. BASIS OF PRESENTATION (continued)

b) Accounting judgments and use of estimates:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on managementôs best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

i. Development phase of internally generated intangible assets

The classification of costs for internally generated intangible assets into the research and development phase is subject to judgment. Refer to Note 3(d) to the 2017 audited financial statements for accounting policy for intangible assets.

ii. Impairment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Judgment is required in establishing whether there are indicators of impairment related to these assets such as changes in market price, the extent or manner in which it is being used or in its physical condition, operations and business environment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

iii. Determination of fair values using option pricing models

The Company measures the cost of equity-settled transactions consisting of share purchase options and warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

iv. Acquisitions

The assessment of whether an acquisition constitutes a business is subject to judgement and requires the Company to review whether the acquired operations contain all three elements of a business including inputs, processes and the ability to create output. The measurement of identifiable assets acquired and liabilities assumed at fair value, and contingent consideration, on the date of acquisition is subject to management estimation.

v. Determination of the fair value for the loan from related party

The Company recognizes the loan from SB2 Group Inc. initially at fair value and it is considered Level 3 in the fair value hierarchy for financial instruments. The valuation model considered the present value of expected payments, discounted using a risk-adjusted discount rate. The significant unobservable input used is the risk-adjusted discount rate of 12% that reflects the credit risk of the counterparty.

3. SIGNIFICANT ACCOUNTING POLICIES

These Condensed Interim Financial Statements reflect the accounting policies described in Note 3 to the Companyôs Audited Financial Statements for the years ended December 31, 2017 and 2016, and accordingly, should be read in conjunction with the 2017 Audited Financial Statements and the notes thereto.

(a) New Accounting Policies

(i) IFRS 2, Share-Based Payment:

In June 2016, IFRS 2 was amended with ñAmendment to IFRS 2 ï Classification and Measurement of Share Based Payment Transactions.ò These amendments address the classification and measurement of share-based payment transactions for a number of situations where existing guidance is not clear. The amendments were applied with an effective date of January 1, 2018 with no impact to the Interim Condensed Financial Statements.

(ii) IFRS 9, Financial Instruments:

In July 2014, the IASB issued IFRS 9 which replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model where the basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

The standard is effective for annual periods beginning on or after January 1, 2018. Under the transitional provisions, management has opted to retain prior figures as reported under the previous standards, recognizing the cumulative effect, if any, of applying IFRS 9 as an adjustment to the opening balance of equity as at the date of initial application.

Upon adoption of the new standard, the classification of loans and receivables no longer exists and all financial assets classified as loans and receivables, including cash, cash held in trust and accounts and other receivables, have been classified as financial assets at amortized cost. The Companyôs financial liabilities also continue to be classified as financial liabilities at amortized cost.

The impact of applying IFRS 9, including the adoption of the óexpected lossô impairment model, was determined to be insignificant. Accordingly, no adjustments were considered necessary to the unaudited Interim Condensed Financial Statements as a result of adopting IFRS 9 with an effective date of January 1, 2018.

(iii) IFRS 15, Revenue from Contracts with Customers:

In May 2014, the IASB issued IFRS 15 which supersedes existing standards and interpretations including IAS 18, Revenue and IFRIC 13, Customer Loyalty Programs. IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs such as IAS 17, Leases. This Standard requires revenue to be recognized in a method that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services.

This standard is effective for annual periods beginning on or after January 1, 2018 and is required to be applied retrospectively to all contracts that are not complete on the date of initial application. Under the transitional provisions, management has opted to retain prior figures as reported under the previous standards, recognizing the cumulative effect, if any, of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. Upon adoption of the new standard, the Company identified the following area as being affected by the new standard:

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Under the Rental Commissions segment, management has reviewed the contracts to identify distinct performance obligations and whether each identified obligation is satisfied over time or at a point in time. Prior to the adoption of IFRS 15, revenue from contracts in the Rental Commissions segment was measured at a point of time, being at the time of completion of the rental terms under contract. Management has assessed the impact of the timing of recognition of distinct performance obligations and concluded that the contracts under the Rental Commissions segment is recognized at the time of completion of the contract which is when the Company has satisfied its performance obligations.

Accordingly, no adjustments were made to the unaudited Interim Condensed Financial Statements as a result of adopting IFRS 15 with an effective date of January 1, 2018.

(b) New Standards and Interpretations Not Yet Adopted

The IASB and International Financial Reporting Interpretations Committee (ñIFRICò) have issued several new and revised standards and interpretations which are not yet effective for the period ended June 30, 2018 and have not been applied in preparing these Condensed Interim Financial Statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected tohave minimal impact.

4. ACQUISITION OF DOMAIN NAME

On August 1st, 2016 the Company acquired certain assets namely domain names ñspacefy.comò, ñspacefy.ukò and ñspacefy.co.ukò from Kebran Ventures and loudlif.com WW Inc. The total consideration for these assets is $20,000 in cash and 50,000 warrants in Spacefy Inc. Each warrants entitles the holder to acquire 1 common share of the Company at an exercise price of $0.20 during the period commencing on the date of acquisition and ending on August 2, 2019.

The Fair Value of Assets acquired was valued at $22,410 and have been classified as intangible assets.

The breakdown of total purchase price is as follows:

Cash	**$**	**20,000**
Warrants		**2,410**
	$	**22,410**

(Expressed in Canadian Dollars)

4. ACQUISITION OF DOMAIN NAME (continued)

On June 16, 2015, the Company acquired 100% ownership in the business assets of TFL Properties by paying $25,000 cash, a warrant agreement to acquire 50,000 shares of the Company and a revenue sharing agreement. This was accounted for as an asset acquisition.

The Fair Value of Assets acquired is as follows:

Domain name	$	**11,200**
Listing of locations		**4,993**
Non-compete agreement		**614**
Prepaid consulting services		**9,333**
	$	**26,140**

The domain name, list of locations and non-compete agreement have been classified as intangible assets while the consulting services have been classified as prepaid services.

The breakdown of total purchase price is as follows:

Cash	$	**25,000**
Warrants		**1,140**
	$	**26,140**

The contingent consideration is payable based on a percentage of gross rental commissions received by the Company from any TFL properties acquired or new properties introduced to Spacefy by previous owners at the following rates: 30% in year one, 20% in year two and 10% in year three. The fair value had been assessed at $nil.

5. ACCOUNTS RECEIVABLE

		June 30, 2018		December 31, 2017
Other Receivable	$	**-**	$	10,200
Sales Tax Receivable		**20,962**		13,125
	$	**20,962**	$	23,325

6. PREPAID EXPENSES

Prepaid amounts comprise amounts paid in advance at year end for consulting and marketing services to be received, and other costs.

		June 30, 2018		December 31, 2017
Bullvestor Medien	$	**50,000**	$	50,000
Share issue costs		**50,750**		5,365
Loud Media and Awareness		**50,000**		50,000
	$	**150,750**	$	105,365

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	June 30, 2018	December 31, 2017
COST		
Balance at beginning of period	**$ 1,903**	$ 1,903
Additions	**-**	-
Balance at end of period	**$ 1,903**	$ 1,903
ACCUMULATED DEPRECIATION		
Balance at beginning of period	**$ 837**	$ 456
Depreciation	**190**	381
Balance at of period	**$ 1,027**	$ 837
NET BOOK VALUE	**$ 876**	$ 1,066

8. INTANGIBLE ASSETS

	Domain name	Customer Relationship	Non-Compete Agreement	Website	Trademark	Total
COST						
Balance at January 1, 2017	$ 33,610	$ 4,993	$ 614	$ 49,240	$ 7,634	$ 96,091
Additions	-	-	-	-	-	-
Balance at December 31, 2017	$ 33,610	$ 4,993	$ 614	$ 49,240	$ 7,634	$ 96,091
Additions	-	-	-	665	-	665
Balance at June 30, 2018	**$ 33,610**	**$ 4,993**	**$ 614**	**$ 49,905**	**$ 7,634**	**$ 96,756**

(Expressed in Canadian Dollars)

8. INTANGIBLE ASSETS (continued)

	Domain name	Customer Relationship	Non-Compete Agreement	Website	Trademark	Total
ACCUMULATED AMORTIZATION						
Balance at January 1, 2017	$ -	$ 625	$ 323	$ 19,660	$ -	$ 20,608
Amortization	-	500	204	16,413	-	17,117
Balance at December 31, 2017	$ -	$ 1,125	$ 527	$ 36,073	$ -	$ 37,725
Amortization	-	250	87	8,206	-	8,543
Balance at June 30, 2018	**$ -**	**$ 1,375**	**$ 614**	**$ 44,279**	**$ -**	**$ 46,268**

	Domain name	Customer Relationship	Non-Compete Agreement	Website	Trademark	Total
NET BOOK VALUE AT DECEMBER 31, 2017	$ 33,610	$ 3,868	$ 87	$ 13,167	$ 7,634	$ 58,366
NET BOOK VALUE AT JUNE 30, 2018	**$ 33,610**	**$ 3,618**	**$ -**	**$ 5,626**	**$ 7,634**	**$ 50,488**

9. RELATED PARTY TRANSACTIONS

Loans from related parties:	**June 30, 2018**	December 31, 2017
Due to SB2 Group Inc.	**$ 127,756**	$ 144,270
Due to Scott Paterson	**64,764**	61,214
Due to Scharfe Holdings	**26,784**	25,304
Due to Brad Scharfe	**38,083**	36,013
Loan from related parties	**$ 257,387**	$ 266,801

SB2 Group Inc. (ñSB2ò) is related to the Company since Michael Bradley is a director of both SB2 and the Company. The amount payable of $150,000 was originally non-interest bearing, unsecured and was due on August 15, 2017. This loan was amended on August 1, 2017 to replace the original repayment date of August 15, 2017. The Amendment includes a fixed principal repayment schedule of thirty monthly installments of $5,000 payable to SB2 commencing January 2018. The repayment schedule was subsequently amended effective January 1, 2018 to commence the installment payments in September 2018 with the final payment due in February 2021. All other terms of the original loan agreement were unchanged and no additional costs or fees were incurred on these amendments. The fair value of this financial liability was determined using a 12% (2017 ï 3.25%) interest rate over the term period of the loan and repayment. The difference in fair value of loan and cash received has been classified in contributed surplus. Interest expense is being recognized over the term of the loan, utilizing the effective interest rate method.

9. RELATED PARTY TRANSACTIONS (continued)

During the six months ended June 30, 2018, the Company was charged $15,650 ($15,000 during the six months ended June 30, 2017) in rent to SB2 Group Inc. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. At June 30, 2018, $2,500 ($33,183 on December 31, 2017) owing to SB2 Group Inc. was included in accounts payable and accrued liabilities.

On December 6, 2017, the Company issued a $25,000 promissory note to Scott Paterson. Scott Paterson is a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $1,681 (December 31, 2017 - $201).

On November 24, 2017, the Company issued a $25,000 promissory note to Scharfe Holdings. Scharfe Holdings is owned by a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $1,784 (December 31, 2017 - $304).

On October 4, 2017, the Company issued a $35,000 promissory note to Brad Scharfe, a director and shareholder of the Company. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $3,083 (December 31, 2017 - $1,013).

On October 4, 2017, the Company issued a $35,000 promissory note to Scott Paterson, a shareholder of SB2. The promissory note bears interest of 12% per annum and is due on demand. As at June 30, 2018, the amount includes accrued interest of $3,083 (December 31, 2017 - $1,013).

Avonhurst Capital Corp. is related to the Company since the Chairman of the Company (Bradley Scharfe), indirectly has beneficial ownership of and control and direction over, voting securities carrying 12.7% of the voting rights attached to the outstanding securities of Avonhurst Capital Corp. On June 17, 2016, the Company signed a promissory note with Avonhurst Capital Corp. to provide financing of up to $260,000 to the Company. The Company received $220,000 of financing for working capital as of December 31, 2016. As per the terms of the promissory note, the Company was liable to pay interest on this loan at 0.5% per annum of which $516 and $921 had been accrued for the three and six months ended June 30, 2017. The principal amount of the loan was unsecured.

On July 26th, 2016, the Company signed a Letter of Intent ("LOI") to sell all of the issued and outstanding shares of the Company to Avonhurst Capital Corp. The transaction valued the Company at $3,535,375 made up of approximately 14,141,500 common shares of Avonhurst Capital Corp at a deemed price of $0.25 per share and Warrants exercisable for a period of 24 months at a price of $0.40 per share. The LOI was subsequently amended on October 15, 2016 to terminate on the earlier of March 15, 2017 or if Avonhurst Capital Corp. fails to provide $40,000 per month in working capital for the Company as per the terms of the promissory note. On October 18, 2017, the LOI was terminated.

In December 2017, the Company settled $503,149 (being the full amount of principal and interest owing to Avonhurst) with the issuance of 2,500,000 common share purchase warrants. Each common share purchase warrant is exercisable into one common share at an exercise price of $0.20 for a period of 24 months. The warrants were assigned a total value of $nil using the Black Scholes option pricing model using the assumptions noted in Note 11(e). The issuance of the shares resulted in a gain on settlement of debt in the amount of $503,149 based on the fair market value on the date of issuance. The gain was deemed to be a capital transaction and therefore was recorded in contributed surplus due to the shareholderõs of the Company owning 53.96% of Avonhurst Capital Corpõs shares at December 31, 2017 (50.16% - 2016).

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of June 30, 2018, the Companyꞌs key management personnel consist of its directors and senior management (Chief Executive Officer and Co-Founders). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows for the three and six months ended June 30, 2018 and 2017:

	Three months ended June 30,				Six months ended June 30,			
Nature of Transactions		**2018**		2017		**2018**		2017
Management fees and salaries	**$**	**78,000**	$	61,550	**$**	**148,500**	$	135,410
Stock based compensation		**539**		1,054		**1,078**		100,329
	$	**78,539**	$	62,604	**$**	**149,578**	$	235,739

10. COMMITMENTS AND CONTINGENCIES

As part of the Boardꞌs ongoing compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Company. The Company takes legal advice as to the potential outcomes of claims and actions and provisions are made where appropriate. No provision is made where the directors consider, based on that advice, that the action does not meet the more that likely than not criteria. Contingent liabilities are disclosed where the Company cannot make a sufficiently reliable estimate of the potential obligation.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Company.

11. SHARE CAPITAL

a) Authorized and Issued Share Capital

The Companyꞌs authorized share capital consists of an unlimited number of common shares and preferred shares without par value.

b) Share Capital Transactions – Common Shares

	Number of shares		Amount
As at December 31, 2016	**13,661,500**	**$**	**793,412**
Issuance of shares (i)	480,000		96,000
Issuance of shares (ii)	1,815,000		36,300
Share issue costs	-		(5,000)
As at December 31, 2017 and June 30, 2018	**15,956,500**	**$**	**920,712**

i. On January 1, 2017, the Company granted 480,000 restricted stock units (ñRSUꞌs) to senior management and advisors to vest on performance and deliverables being declared satisfactory by the Board. They vested on March 31, 2017. The fair value of the RSUs was $0.20 per common share.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

ii. On December 31, 2017, the Company closed a private placement financing for gross proceeds of $36,300 through the issuance of 1,815,000 common shares at an issue price of $0.02 per share. $26,100 of the gross proceeds are included in the cash held in trust amount at December 31, 2017, and $10,200 of the gross proceeds are included in the accounts receivable amount as at December 31, 2017. The full amount has been received as at June 30, 2018. The Company paid legal fees of $5,000 in relation to this placement and it was recorded as share issue costs.

c) Preferred shares

On March 5, 2018, the Company closed a private placement financing for gross proceeds of $395,000 through the issuance of 395,000 preferred shares at an issue price of $1.00 per share. Each preferred share automatically converts into 20 common shares upon the issuance of a receipt by a securities regulator or regulatory authority in Canada qualifying as freely tradable Common Shares issuable on exercise of Preferred Shares. As at December 31, 2017, the Company received $5,000 of the total proceeds from the above private placement, which were included in the cash held in trust amount as at December 31, 2017. Legal fees of $5,365 and filing fees of $1,600 were charged and have been recorded as share issue costs.

d) Stock Options

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares of the Company to officers, directors, employees, and consultants. The exercise price of each option is to be determined by the Board of Directors. Stock options granted vest over the period determined by the Board of Directors.

Details of stock option transactions for the six months ended June 30, 2018 are as follows:

	Number of options	Weighted average exercise price of options
Outstanding, December 31, 2016	1,025,000	0.14
Granted	75,000	0.25
Outstanding, December 31, 2017	1,100,000	0.14
Expired	230,000	0.07
Outstanding, June 30, 2018	870,000	$ 0.16

The weighted average fair value of options granted for the six months ended June 30, 2018 was $nil (year ended December 31, 2017 - $2,138).

The fair value of each option was estimated on the date of the grant using the Black-Scholes fair value option pricing model. The following assumptions were used for options issued in the year ended December 31, 2017. No options were issued in the current period:

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

	Year ended December 31, 2017
Risk-free interest rate	0.75%
Volatility	31.2%
Share price	$ 0.20
Exercise price	$ 0.25
Dividend yield	-
Forfeiture rate	-
Weighted average expected life of options	3 years

The following table summarizes the information regarding stock options outstanding as at June 30, 2018:

Exercise price per share	Number outstanding	Weighted average life (years)	Number exercisable
0.07	370,000	1.96	277,500
0.07	50,000	1.96	37,500
0.25	375,000	0.55	375,000
0.25	75,000	1.63	75,000
	870,000	1.32	765,000

For the three and six months ended June 30, 2018, the Company recorded stock option expense of $539 and $1,078 (three and six months ended June 30, 2017 - $1,053 and $4,328).

e) Warrants

In August 2016, the Company issued 50,000 warrants in Spacefy Inc. as part of the consideration for acquisition of domain name. Each warrant entitles the holder to acquire 1 common share of the Company at an exercise price of $0.20 during the period commencing on the date of acquisition and ending on August 2, 2019.

In December 2017, the Company issued 2,500,000 warrants to settle a promissory note (see Note 9).

The following table summarizes the information regarding warrants outstanding as at June 30, 2018:

	Number of warrants		Amount
As at December 31, 2016	2,612,500	$	26,125
Warrants issued for Domain acquisition	50,000		2,410
As at December 31, 2016	2,662,500		28,535
Warrants issued to settle debt	2,500,000		-
As at December 31, 2017 and June 30, 2018	5,162,500	$	26,125

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

The fair value of each warrant was estimated on the issuance date using the Black-Scholes fair value pricing model. The following assumptions were used for warrants issued in the year ended December 31, 2017. No warrants were issued in the current period:

	Year ended December 31, 2017
Risk-free interest rate	1.68%
Volatility	38.7%
Share price	$ 0.02
Exercise price	$ 0.20
Dividend yield	-
Forfeiture rate	-
Weighted average expected life of options	2 years

12. LOSS PER SHARE

The computations for basic and diluted loss per share are as follows:

	Three months ended June 30,				Six months ended June 30,			
		2018		2017		**2018**		2017
Net loss used in:								
Basic loss per share	**$**	**(164,055)**	$	(121,269)	**$**	**(369,020)**	$	(353,229)
Diluted loss per share	**$**	**(164,055)**	$	(121,269)	**$**	**(369,020)**	$	(353,229)
Weighted average number of common shares as basis for:								
Basic loss per share		**15,956,500**		14,141,500		**15,956,500**		13,901,500
Diluted loss per share		**15,956,500**		17,857,125		**15,956,500**		17,617,125
Loss per share:								
Basic	**$**	**(0.01)**	$	(0.01)	**$**	**(0.02)**	$	(0.03)
Diluted	**$**	**(0.01)**	$	(0.01)	**$**	**(0.02)**	$	(0.03)

All potential dilutive stock options and warrants were excluded from the dilutive calculations as they are anti-dilutive due to the loss for the period.

13. FINANCIAL INSTRUMENTS

a) Categories of Financial Assets and Liabilities

The Companyǿs financial instruments are classified into the following categories:

		As at June 30, 2018		As at December 31, 2017
Loans and receivables	**$**	**11,436**	$	45,975
Other financial liabilities	**$**	**438,648**	$	467,044

Financial instruments classified as loans and receivables consist of cash and accounts receivable (excluding government receivable). Financial instruments classified as other financial liabilities consist of accounts payable and accrued liabilities and loans payable.

b) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;

Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There were no transfers between levels during the year. The fair values of cash, cash held in trust, accounts receivable, accounts payable and accrued liabilities and loans payable approximate their carrying value due to their short-term maturities or the effective interest rates approximating the fair values rates.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

c) Management of Risks Arising from Financial Instruments

The Companyǿs financial instruments are exposed to the following financial risks:

13. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Management does not believe there is any significant credit risk from any of the Company's customers as orders are only processed after payment is received. The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. To manage cash credit risk, the Company only engages banks with appropriate credit ratings.

Currency risk

The Company generates all revenue in Canadian dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Companyǿs financial liabilities are comprised of accounts payable and accrued liabilities and loans from related parties.

The payments due by period are set out in the following tables:

As at June 30, 2018:

	Payment due by period			
	Less than one year	**Between one and five years**	**More than five Years**	**Total**
Accounts Payable and accrued liabilities	$ 181,261	$ -	$ -	$ 181,261
Loan from related parties	167,165	90,222	-	257,387
	$ 348,426	**$ 90,222**	**$ -**	**$ 438,649**

As at December 31, 2017:

	Payment due by period			
	Less than one year	**Between one and five years**	**More than five Years**	**Total**
Accounts Payable and accrued liabilities	$ 200,243	$ -	$ -	$ 200,243
Loan from related parties	182,531	90,000	-	272,531
	$ 382,774	**$ 90,000**	**$ -**	**$ 472,774**

14. NON – CASH FINANCING ACTIVITIES

(Expressed in Canadian Dollars)

For the six months ended June 30,		**2018**		2017
Share based marketing & consulting compensation	**$**	**-**	$	96,000

15. CAPITAL MANAGEMENT

The Companyôs capital management objectives are to ensure its ability to continue as a going concern and to grow its operations. The Company derives its financing from internally generated revenue and external sources. The capital structure of Spacefy currently consists of Shareholdersô equity and loans payable. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. This may involve Spacefy arranging more loans, issuing new shares through private placements, or selling assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

16. SUBSEQUENT EVENTS

Subsequent to the end of the second quarter, on October 5, 2018, the Company issued an additional $15,000 promissory note to G. Scott Paterson. The promissory note bears interest of 12% per annum and is due on demand. If the Company does not repay the principal and interest when demanded, interest will be calculated on the unpaid balance from that point forward at 18% per annum.

Subsequent to the end of the second quarter, on October 5, 2018, the Company issued an additional $15,000 promissory note to Scharfe Holdings Inc. The promissory note bears interest of 12% per annum and is due on demand. If the Company does not repay the principal and interest when demanded, interest will be calculated on the unpaid balance from that point forward at 18% per annum.

Subsequent to the end of the second quarter, on August 3, 2018 the Company entered into a Loan Agreement and issued a Promissory Note for a total of $125,000 to the Agent in return for a short-term loan which has been advanced to the Company. The Company issued a total of 183,333 Shares to the Agent at a deemed price of $0.15 per share for a total payment of $27,500 representing bonus and administrative fees related fees for this loan. The loan carries an interest rate of 10% per year calculated annually, payable on repayment of the loan and can be repaid in Shares at a deemed price of $0.15 per Share at the Agentôs option. The loan is repayable on the date that is the earlier of August 3, 2019 or the date that the Shares of the Company are listed on the CSE. The Company is a connected issuer to the Agent by virtue of this loan.

Effective September 1, 2018, the repayment schedule on the loan from SB2 was further amended with installment payments to commence 30 days subsequent to the Closing of the Offering. The final payment will be due within 31 months of Closing. All other terms of the original loan agreement were unchanged and no additional costs or fees were incurred on these amendments.

SCHEDULE A

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors (the "Board") in lieu thereof (the "Audit Committee"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

Composition

(i) *Number of Members*. The Audit Committee must be comprised of a minimum of three (3) directors of the Company, a majority of whom will be independent as defined by applicable legislation.

(ii) *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "Chair") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

(iii) *Financial Literacy.* All members of the Audit Committee must be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate, such member will have a period of three (3) months to acquire the required level of financial literacy.

Meetings

(i) *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

(ii) *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the Company's external auditor (the "Auditor"). Agenda materials such as draft financial statements must be circulated to all Audit Committee members a reasonable time in advance of each meeting in order for members to have time to review the materials prior to the meeting.

(iii) *Notice to Auditor*. The Auditor will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

(iv) *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

<u>External Auditor</u>

The Audit Committee will:

(i) *Selection of the Auditor*. Select, evaluate and recommend the Auditor to the Board for shareholder approval, to examine the Company's accounts, controls and financial statements.

(ii) *Scope of Work*. Evaluate, prior to the annual audit of the Company's financial statements, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

(iii) *Compensation*. Recommend to the Board the compensation to be paid to the Auditor.

(iv) *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board.

(v) *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor.

(vi) *Responsibility for Oversight*. Oversee the work of the Auditor, who must report directly to the Audit Committee.

(vii) *Resolution of Disputes*. Assist with resolving any disputes between the Company’s management and the Auditor regarding financial reporting.

<u>Financial Statements and Financial Information</u>

The Audit Committee will:

(i) *Review Audited Financial Statements*. Review the Company’s audited financial statements, discuss those statements with management and with the Auditor, and if appropriate, recommend their approval to the Board.

(ii) *Review Interim Financial Statements*. Review and discuss with management the Company’s interim financial statements, and if appropriate, recommend their approval to the Board.

(iii) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review management’s discussion and analysis, interim and annual press releases, and Audit Committee reports before the Company publicly discloses such information.

(iv) *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management’s response, and the extent to which recommendations made by the Auditor have been implemented.

<u>Risk Management, Internal Controls and Information Systems</u>

The Audit Committee will:

(i) *Internal Controls*. Review with management and the Auditor the general policies and procedures used by the Company with respect to internal accounting and financial controls, and remain informed, through communications with the Auditor, of any weaknesses in internal controls that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

(ii) *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in such functions.

(iii) *Accounting Policies and Practices*. Review management’s plans regarding any changes in accounting practices or policies and the financial impact thereof.

(iv) *Litigation*. Review with the Auditor and the Company’s legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the Company’s financial statements.

(v) *Other.* Discuss with management and the Auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company’s financial statements or disclosure.

Complaints

(i) *Accounting, Auditing and Internal Control Complaints*. Establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

(ii) *Employee Complaints*. Establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

Authority

(i) *Auditor*. The Auditor, and any internal auditor hired by the company, will report directly to the Audit Committee.

(ii) *Independent Advisors*. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsel and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of such advisors.

Reporting

The Audit Committee will report to the Board on:

(i) the independence of the Auditor;

(ii) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

(iii) the reappointment and termination of the Auditor;

(iv) the adequacy of the Company's internal controls and disclosure controls;

(v) the Audit Committee's review of the Company's financial statements, both annual and interim;

(vi) the Audit Committee's review of the management's discussion and analysis, both annual and interim;

(vii) the Company's compliance with legal and regulatory matters to the extent they affect its financial statements; and

(viii) all other material matters dealt with by the Audit Committee.

CERTIFICATE OF THE COMPANY

Dated: October 23, 2018

This Prospectus 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 Ontario, British Columbia and Alberta.

(signed) ñ*Judeh Siwady*ò	(signed) ñ*Kyle Appleby*ò
Judeh Siwady Chief Executive Officer	Kyle Appleby Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) ñ*Bradley Scharfe*ò	(signed) ñMichael *Bradley*ò
Bradley Scharfe Director	Michael Bradley Director

CERTIFICATE OF THE PROMOTERS

Dated: October 23, 2018

This Prospectus 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 Ontario, British Columbia and Alberta.

(signed) ñ*Judeh Siwady*ò

Judeh Siwady
Chief Executive Officer

(signed) ñ*Bradley Scharfe*ò

Bradley Scharfe
Director

(signed) ñ*Alyas Ali* ò

Alyas Ali
Secretary

(signed) ñ*Moya Semaan*ò

Moya Semaan
Vice-President

CERTIFICATE OF THE AGENT

Dated: October 23, 2018

To the best of our knowledge, information and belief, this Prospectus 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 Ontario, British Columbia and Alberta.

LEEDE JONES GABLE INC.

(signed) ñ*Richard H. Carter*ò

RICHARD H. CARTER
Senior Vice-President, General Counsel,
Secretary

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	37,389,833	57,973,833	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	3,996,227	5,041,227	10.7%	8.7%
Total Public Float (A-B)	33,393,606	52,932,606	89.3%	91.3%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	16,139,833	16,139,833	43.2%	27.8%
Total Tradeable Float (A-C)	21,250,000	41,834,000	56.8%	72.2%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	73	20,043,606

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities	4	4,000
2,000 – 2,999 securities	1	2,500
3,000 – 3,999 securities	1	3,000
4,000 – 4,999 securities	3	12,500
5,000 or more securities	249	33,371,606
Unable to confirm		

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	7	3,996,227

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options at $0.07 exp June 15, 2020	370,000	370,000
Options at $0.07 exp June 16, 2020	50,000	50,000
Options at $0.25 exp Jan 15, 2019	375,000	375,000
Options at $0.25 exp Feb 15, 2020	75,000	75,000
Warrants at $0.25 exp Dec 31, 2018	2,612,500	2,612,500

Warrants at $0.20 exp Aug 2, 2019	50,000	50,000
Warrants at $0.20 exp Dec 27, 2019	2,500,000	2,500,000
Warrants at $0.40 exp Nov 28, 2020	13,350,000	13,350,000
Agent's warrants at $0.15 exp Nov 28, 2020	1,201,500	1,201,500

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

None

SCHEDULE C
CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Spacefy Inc., hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Spacefy Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario, this 27th day of November, 2018.

(signed) "*Judeh Siwady*"

Judeh Siwady
Chief Executive Officer

(signed) "*Kyle Appleby*"

Kyle Appleby
CFO

(signed) "*Bradley Scharfe*"

Bradley Scharfe
Director

(signed) "*Michael Bradley*"

Michael Bradley
Director

SCHEDULE C

CERTIFICATE OF THE PROMOTER

The foregoing contains full, true and plain disclosure of all material information relating to Spacefy Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario, this 27th day of November, 2018.

(signed) "*Judeh Siwady*"

Judeh Siwady
Chief Executive Officer

(signed) "*Bradley Scharfe*"

Bradley Scharfe
Director

(signed) "*Alyas Ali*"

Alyas Ali
Secretary

(signed) "*Moya Semaan*"

Moya Semaan
Vice-President