

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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell those securities. The securities offered by this prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States of America. See “Plan of Distribution”.*

## PRELIMINARY PROSPECTUS

Initial Public Offering

July 17, 2018

### RADIAL RESEARCH CORP.

**2,000,000 Common Shares for \$200,000 (Minimum Offering)**  
**5,000,000 Common Shares for \$500,000 (Maximum Offering)**

**Price: \$0.10 per Common Share**

This prospectus (the “**Prospectus**”) qualifies an offering (the “**Offering**”) to the public of common shares (the “**Offered Shares**”) of **Radial Research Corp.** (“**Radial**” or the “**Company**”) at a price of \$0.10 per share. The minimum size of the Offering is 2,000,000 Offered Shares for gross proceeds of \$200,000, and the maximum size of the Offering is 5,000,000 Offered Shares for gross proceeds of \$500,000. The Offering is being made pursuant to the terms of an agency agreement dated ●, 2018 (the “**Agency Agreement**”) between the Company and Chippingham Financial Group (the “**Agent**”).

	<u>Price to the Public</u>	<u>Agent’s Commission <sup>(1)</sup></u>	<u>Proceeds to Radial <sup>(1)(2)</sup></u>
Per Share.....	\$0.10	\$0.008	\$0.092
Minimum Offering .....	\$200,000	\$16,000	\$184,000
Maximum Offering.....	\$500,000	\$40,000	\$460,000

- (1) The Agent will receive a commission (the “**Commission**”) of 8% of the gross amount raised in the Offering, payable in cash from the proceeds of the sale of the Offered Shares. In addition, the Agent will receive a non-transferable option (the “**Agent’s Warrant**”) to purchase that number of common shares as is equal to 8% of the number of Offered Shares sold pursuant to the Offering. The Agent’s Warrant will be exercisable for a period of two years from the date of listing of the Offered Shares on the Canadian Securities Exchange (the “**Exchange**”) at a price of \$0.10 per share. This Prospectus also qualifies the grant of the Agent’s Warrant. See “Plan of Distribution”.
- (2) After deducting the Commission but before deducting a corporate finance fee of \$15,000 (plus GST) payable to the Agent and the Offering expenses estimated at \$85,000.

The price of the Offered Shares was determined by negotiation between the Company and the Agent. The Agent, or registered sub-agents who assist the Agent in the distribution of the Offered Shares offered hereunder, conditionally offers the Offered Shares, subject to prior sale, on a “commercially reasonable efforts” basis, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP and on behalf of the Agent by Tingle Merrett LLP. Subscriptions for Offered Shares will be payable by certified cheque or bank draft to the Company against delivery of certificates representing the Offered Shares. Subscriptions for Offered Shares will be 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.

Completion of the Offering is subject to the sale of at least 2,000,000 Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final

prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 2,000,000 Offered Shares are sold.

**There is no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation. See “Risk Factors”. The Company has applied to the Exchange to conditionally approve a listing of its common shares. The listing is subject to the Company fulfilling all of the listing requirements of the Exchange, including prescribed distribution and financial requirements.**

As at the date of this Prospectus, the Company is an “IPO Venture Issuer” (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, 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 (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

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

<u>Agent’s Position</u>	<u>Maximum Number of Common Shares Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Agent’s Warrant <sup>(1)</sup>	400,000 <sup>(2)</sup>	2 years following listing of the Offered Shares on the Exchange	\$0.10

- (1) On closing, the Agent will be granted the Agent’s Warrant entitling the Agent to purchase that number of common shares that is equal to 8% of the number of Offered Shares sold under the Offering at a price of \$0.10 per share for a period of two years following listing of the Offered Shares on the Exchange. This Prospectus also qualifies the issuance of the Agent’s Warrant. See “Plan of Distribution”.
- (2) This number assumes that the maximum number of Offered Shares available under the Offering is sold. If the minimum number of available Offered Shares is sold under the Offering, then the number of common shares available to the Agent will be 160,000 shares.

**AN INVESTMENT IN TECHNOLOGY ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER’S TECHNOLOGIES ARE IN THE DEVELOPMENT STAGE (AS IS THE CASE WITH THE COMPANY). AN INVESTMENT IN THE OFFERED SHARES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. INVESTORS SHOULD CAREFULLY CONSIDER THE RISKS REFERRED TO UNDER THE HEADING “RISK FACTORS” IN THIS PROSPECTUS.**

Guy Pinsent is a director of the Company and resides outside of Canada and has appointed Beadle Raven LLP at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 as his agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**AGENT:**

Chippingham Financial Group  
 Suite 202 – 595 Howe Street  
 Vancouver, BC V6C 2T5  
 Tel: (647) 346-4491

## TABLE OF CONTENTS

PROSPECTUS SUMMARY .....	1
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION .....	4
CORPORATE STRUCTURE .....	4
DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS .....	5
USE OF PROCEEDS .....	14
SELECTED FINANCIAL INFORMATION .....	17
DIVIDEND RECORD AND POLICY .....	17
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	17
DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED .....	19
ELIGIBILITY FOR INVESTMENT .....	19
CONSOLIDATED CAPITALIZATION .....	20
OPTIONS TO PURCHASE SECURITIES .....	20
PRIOR SALES .....	21
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON .....	
TRANSFERS .....	21
PRINCIPAL HOLDERS OF COMMON SHARES .....	22
DIRECTORS AND OFFICERS .....	22
PROMOTER .....	26
EXECUTIVE COMPENSATION .....	26
AUDIT COMMITTEE .....	29
CORPORATE GOVERNANCE .....	31
PLAN OF DISTRIBUTION .....	33
RISK FACTORS .....	34
LEGAL PROCEEDINGS AND REGULATORY ACTIONS .....	42
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....	42
AUDITORS, TRANSFER AGENT AND REGISTRAR .....	42
MATERIAL CONTRACTS .....	42
EXPERTS .....	42
OTHER MATERIAL FACTS .....	43
STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION .....	43
FINANCIAL STATEMENTS .....	43
CERTIFICATE OF THE COMPANY AND CERTIFICATE OF THE PROMOTER .....	C-1
CERTIFICATE OF THE AGENT .....	C-2

---

References to “\$” or “CAD\$” are references to Canadian dollars, and references to “USD\$” are references to United States dollars.

## PROSPECTUS SUMMARY

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

### **The Company**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 26, 2017 under the name “1124538 B.C. Ltd.”. The Company changed its name to “Radial Research Corp.” on March 28, 2018. The Company’s head office is located at 4070 Lockehaven Drive, Victoria, British Columbia, V8N 4J5 and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity.

See “Description and General Development of the Business”.

### **The Company’s Business and Technology**

Radial aspires to develop on-line and download technologies and services, including software, web-sites and smartphone applications, with an initial focus on a language training smartphone application called “Movie Method”. Movie Method will provide a downloadable language training and translation application which uses traditional language training methods combined with the use of media clips to help the user better learn and retain new phrases in a foreign language.

Most aspects of Movie Method will initially be provided free of charge, as the Company strives to build its user base. The Company intends to eventually generate revenue by charging a monthly subscription for more advanced versions of the application. The Company also anticipates that as the user base expands there will be potential to sell marketing banner ads on screens of the application provided to users free of charge.

See “Description and General Development of the Business” for further detail.

### **The Offering**

The Company is offering for sale a minimum of 2,000,000 Offered Shares for gross proceeds of \$200,000 and a maximum of 5,000,000 Offered Shares for gross proceeds of \$500,000. The Company will pay the Agent a cash commission equal to 8% of the gross proceeds of the Offering and a Corporate Finance Fee of \$15,000 (plus GST), and will issue to the Agent an option entitling the Agent to purchase that number of common shares of the Company that is equal to 8% of the number of Offered Shares sold in the Offering.

Completion of the Offering is subject to the sale of a minimum of 2,000,000 Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. There will be no closing unless a minimum of 2,000,000 Offered Shares are sold.

See “Plan of Distribution”.

### **Use of Proceeds**

The Company will receive net proceeds of \$184,000 from the Offering if the minimum number of Offered Shares is sold, after deduction of the Agent’s cash commission but before deducting the Offering expenses estimated at \$85,000, and net proceeds of \$460,000 from the Offering if the maximum number of Offered Shares is sold. Adding these net proceeds to the estimated working capital of the Company as at June 30, 2018 of \$142,443, results in a minimum of \$326,443 and a maximum of \$602,443 in available funds on a pro forma basis. The Company intends to use the available funds as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Balance of estimated costs of the Offering (including legal, audit and amounts due to the Agent, and applicable filing fees and listing fees) and the corporate finance fee	\$62,500 <sup>(1)</sup>	\$62,500 <sup>(1)</sup>
Development of Movie Method <sup>(2)</sup>	\$120,000	\$120,000
Estimated general and administrative expenses for 12 months	\$75,000	\$75,000
Unallocated working capital	<u>\$68,943</u>	<u>\$344,943</u>
<b>TOTAL:</b>	<b>\$326,443</b>	<b>\$602,443</b>

(1) Total estimated costs of the Offering are \$85,000, comprised of legal costs of \$25,000, auditor's review costs of \$10,000, Agent's expenses of \$15,000, applicable filing fees and listing fees of \$20,000, and the corporate finance fee (not including GST) of \$15,000. To date the Company has paid \$22,500 (plus GST) of this total amount: \$7,500 (plus GST) has been paid to the Agent as partial payment of the corporate finance fee, and \$15,000 (plus GST) has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement.

(2) See "Description and General Development of the Business".

The Company's unallocated working capital will be available for the launch and initial marketing of its first app, Movie Method. The Company anticipates the app will be ready to release for public access in early 2019.

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

See "Use of Proceeds".

### **Risk Factors**

An investment in the Offered Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development and should only be considered by investors who can afford the total loss of their investment.

A prospective purchaser of Offered Shares should be aware that there are various risks that could have a material adverse effect on, among other things, the property (including its initial smart phone application and any applicable intellectual property), business and condition (financial or otherwise) of the Company. These risk factors, together with all of the other information contained in this Prospectus, including information contained in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information", should be carefully reviewed and considered before the decision to purchase Offered Shares is made.

The Company has a limited operating history upon which to evaluate the Company. The Company has no history of earnings and the Company may need to raise additional capital in the future. The intended use of proceeds described in this prospectus is an estimate only and is subject to change. The Company and its assets may become subject to uninsurable risks.

The Company competes with other companies with greater financial resources and technical facilities. The Company's operations may involve the storage and transmission of customer or user data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. The Company's success will depend on its ability to attract users to its technology and services, and in particular, initially, Movie Method. Movie Method may partially rely on the use of intellectual property of third parties. The Company's success may be heavily dependent upon its intellectual property and technology. Companies in the Internet, technology and mobile app industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Company's technology infrastructure is complex and may not provide satisfactory service in the future, especially as the number of customers using its apps increases. The success of the Company's products and services will depend largely on the development and maintenance of the Internet infrastructure. The Company's ability to provide its products and services depends on the continuing operation of its information technology and communications systems. The Company's software apps and products could contain undetected errors or "bugs" that could adversely affect their performance. The Company's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance. The Company's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures. Maintaining and promoting the Company's brand will depend largely on its ability to continue to provide useful, reliable and innovative services. As a result of changing consumer preferences, many Internet websites and apps are successfully marketed for a

limited period of time. The Company's future success will depend in part on its ability to modify or enhance its products to meet consumer needs, add functionality and address technological developments. The Company and its users are or may be subject to numerous regulations that affect the technology industry. The Company relies on contractors to continue upgrading and developing its technology. The Company is currently largely dependent on the performance of its directors and management and there is no assurance that their services can be maintained.

The Company has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Company's shareholders. The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Offered Shares, who, on completion of the Offering, will incur immediate and substantial dilution. Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Situations may arise where the interests of certain of the Company's directors and officers could conflict with the interests of the Company. Four shareholders collectively hold 100% of the Company's issued and outstanding shares. An economic slowdown or downturn of global capital markets may make the raising of capital by equity or debt financing more difficult. The Company has not declared or paid any dividends and does not currently have a policy on the payment of dividends. Preparation of its financial statements requires the Company to use estimates and assumptions, and actual amounts could differ from those based on these estimates and assumptions. Legal, accounting and other expenses associated with public company reporting requirements have increased significantly in recent years.

See "Risk Factors".

## Financial Information

The summary presented below contains selected financial information of the Company that is derived from, and should be read in conjunction with, the audited financial statements of the Company and notes thereto, "Consolidated Capitalization" and "Management's Discussion and Analysis" that are included elsewhere in this Prospectus. All of the financial information presented below is prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The following table sets forth summary financial information summarized from the Company's audited financial statements which are included in this Prospectus.

Summary Components of Statement of Comprehensive Income (Loss)	For the Year Ended May 31, 2018 (audited) (\$)
<b>Certain expenses</b>	
General and administrative	1,290
Research and development	101,856
Professional fees	10,000
Foreign exchange gain	(2,699)
Amortization	24,000
<b>Total Expenses</b>	
Loss and comprehensive loss for the period	134,447
Basic and diluted loss per share <sup>(1)</sup>	0.02

- (1) Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information" and "Management's Discussion and Analysis".

<b>Summary Components of Statement of Financial Position</b>	<b>May 31, 2018 (audited) (\$)</b>
Current assets	188,428
Total assets	404,428
Current liabilities	44,485
Total liabilities	44,485
Working capital (deficit)	143,943
Accumulated deficit	134,447

See “Selected Financial Information” and “Financial Statements”.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This Prospectus contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company’s industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this Prospectus and as they are expected to be after the Offering. Forward-looking information is often, but not always, identified by the use of words such as “seeks”, “believes”, “plans”, “expects”, “intends”, “estimates”, “anticipates” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. This forward-looking information includes, without limitation, information about the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Prospectus contains forward-looking information concerning the development of Movie Method. Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading “Risk Factors”. The forward-looking information is based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms, and the ability of outside service providers to deliver services in a satisfactory and timely manner. The Company’s forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

This Prospectus includes many cautionary statements, including those stated under the heading “Risk Factors”. You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this Prospectus.

### **CORPORATE STRUCTURE**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 26, 2017 under the name “1124538 B.C. Ltd.”. The Company changed its name to “Radial Research Corp.” on March 28, 2018. The Company’s head office is located at 4070 Lockhaven Drive, Victoria, British Columbia, V8N 4J5 and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity.

## DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

### General

The Company strives to find, develop and implement innovative Internet and smart phone technology by using highly qualified but low cost programming and development teams outside of North America, and principally in Eastern Europe. The Company believes that this strategy will allow it to develop these technologies more efficiently, thus giving it a competitive advantage in the market. The Company also relies on its management and subcontractor network to identify technologies that will command strong market attention and profitability in the future.

The Company has been developing its first app, called “Movie Method,” which is targeted and developed specifically for the language learning market. Pursuant to the December 22, 2017 Asset Purchase Agreement between the Company and Leon Apel (the “**App Acquisition Agreement**”) the Company acquired all of the intellectual property and goodwill in relation to assets described as the SentenceMining iOS/Android smartphone app. The acquired app was partially developed and since then the Company has branded the app “Movie Method” and used software development teams in the United Kingdom and Ukraine to continue its development. Under the App Acquisition Agreement, the Company is afforded consulting services from Leon Apel for a two year period at no additional cost to the Company.

Movie Method uses teaching and memorization assistance techniques to help the user learn a foreign language. However, while using these traditional platforms, the app also introduces a further method, which the Company feels will greatly improve learning and the overall interactive experience. Movie Method will use short media clips to teach and test recall for foreign language phrases. This, the Company feels, connects the user to both the phrase and the teaching experience in a way that simple pictures and diagrams cannot. Users can obtain a deeper appreciation for context, as well as connect with the lesson on an entertainment level. The exercise of learning is designed to become more fun. With some connection to the scene, through the story, actor, context or otherwise, the Company believes users will be far more likely to continue with lessons. In addition, the Company suggests that the ability to recall certain learned phrases will be assisted by the users’ connection to the scene, actor, or context.

Beyond Movie Method, the Company plans to create and/or acquire further Internet and smart phone based technologies that has potential for mass appeal and profitability. Through the development of Movie Method, the Company has developed relationships with European and Eastern European software programming and development teams, which the Company believes will (1) give it a competitive advantage with the ongoing development of Movie Method and (2) allow it to develop and implement other apps and Internet-based services in an efficient and cost-effective manner. The Company feels that software engineers based in Eastern Europe are highly skilled and qualified, while commanding only a fraction of the wages demanded in other jurisdictions. Using these established relationships, the Company intends to continue seeking and acquiring early stage apps and Internet-based services that are believed to have great potential and can be further developed through the use of these teams.

The Company is party to a contractor agreement for agency support (the “**Contractor Agreement**”) dated January 2, 2018 with an Estonian company (the “**Estonian Contractor**”), under which the Company engaged the Estonian Contractor as an independent contractor to provide consulting, design and software development services to the Company in Ukraine. Under the Contractor Agreement, the Company has secured the Estonian Contractor’s services at an hourly rate that is a fraction of traditional North American programming rates per hour. All of the output, including the designs, intellectual property, related documentation and all of the related materials, delivered by the Estonian Contractor to the Company under the Contractor Agreement is the sole property of the Company. The term of the Contractor Agreement is one year, and it shall automatically renew for another one year term unless either party provides written notice, not less than 60 days before the end of the term, of its intention to terminate the agreement. Furthermore, either party may terminate the Contractor Agreement on 30 days notice to the other party.

The Company is also party to a consulting services agreement (the “**Consulting Services Agreement**”) dated as of January 17, 2018 with a United Kingdom company (the “**UK Consultant**”), under which the Company engaged the UK Consultant to provide technology development services to the Company on an independent contractor basis. Under the Consulting Services Agreement, the Company is required to pay the UK Consultant a flat fee of USD\$2,500 per month, as well as remunerate the UK Consultant on a cost plus 10% basis for any programming on coding subcontracting relationships secured by the UK Consultant, and approved in writing in advance by the Company, and reimburse the UK Consultant for all reasonable out-of-pocket expenses incurred by the UK Consultant. The total amount owing in any one month period for the monthly fee, cost plus 10% fees, and the expenses to be reimbursed, shall not exceed USD\$25,000 in any one month period without the prior written consent of the Company. The Consulting Services Agreement terminates on December 31, 2018, unless earlier terminated



by the UK Consultant by giving at least 30 days' written notice to the Company or terminated by the Company at any time by giving written notice.

The Company may also explore signing exclusive agreements with one or more of its Eastern European programming and development teams, and then subcontracting those teams out to other software developers.

## Movie Method

The Company is developing Movie Method, a smart phone-based application technology that teaches foreign languages using traditional methods and with the added use of media clips, which should improve both the learning quality and learning experience for the user. Initially most of Movie Method will be free, with more advanced settings possibly being available with a monthly subscription fee. The Company believes that Movie Method will be used by individuals interested in learning a foreign language and might also be used by government and learning institutions.

### Features and Functionality

Existing language learning apps commonly use many of the traditional learning techniques one might find in mainstream foreign language teaching. For example, words and phrases are learned, repeated, and then tested using specific intervals designed to maximize recall and retention. Moreover, apps will provide praise and reward in the form of a “virtual reward” (i.e. graduated accomplishment titles) and by keeping track of progress results and “streaks” (i.e. “you have now learned 250 Spanish words” or “you have learned a new word a day for 100 days”). Traditional language learning apps will also often attempt to connect users together online, or to help users connect with actual native speaker so they can practise new phrases and better understand conversational nuances. Movie Method uses many of these traditional features.

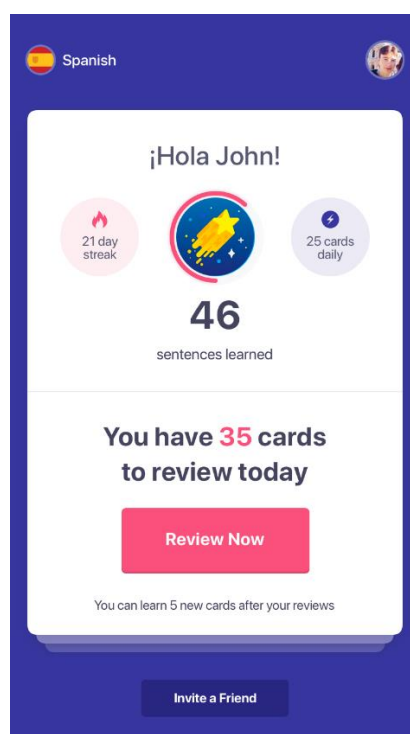


Figure 1 - Movie Method – Main Screen – The main screen provides users with a variety of information, including the language being learned, the user's progress to date, and the user's upcoming learning tasks.

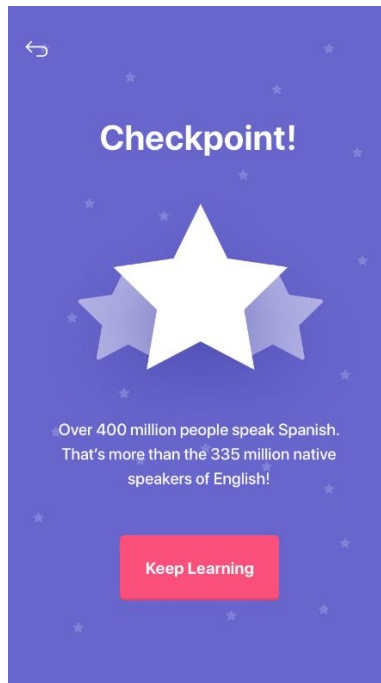


Figure 2 - Movie Method – Checkpoint – As users complete tasks, they are rewarded with “checkpoints” which confirm their progress.

In addition, Movie Method also uses media clips which the Company believes enhances learning, recall and the overall experience of using the app. Rather than using standardized pictures, photographs, cartoons, sketches and the like, Movie Method takes a media clip, pre-vetted by the Company’s development team, which depicts certain phrases in a memorable context. Either through a connection to the subject matter, the person(s) in the clip, the context, or the media clip itself, the Company believes the user forms a far stronger connection to the material and, ultimately, the translation of the material. In a competitive foreign language training marketplace, it is anticipated by the Company that this additional media clip feature will significantly set it apart and give it a competitive advantage.

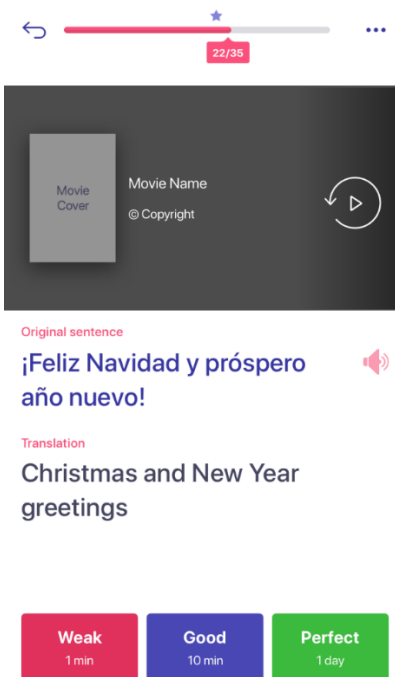


Figure 3 - Movie Method – Flashcard – Users learn by viewing and translating media clips.

Throughout development and possibly during beta-testing, Movie Method will use public domain media clip footage. However, as soon as is practical, the Company plans to broaden its media clip base to include mainstream, well-known media clips and/or to allow the app users to upload their own meaningful media clips and translations.

Use of these clips will depend in part on which of these clips are legally accessible to the Company, how successful the Company is in obtaining permission from copyright holders to use these clips and/or how successful it is in enticing users to upload their own media clips. As the Company continues to develop the app, it will continue to search for the highest quality media clips which do not require copyright permission, while also attempting to obtain permission to use further clips from copyright holders where such permission is required. Moreover, as the Company develops its “self-loading” clip platform, and depending on how users respond to this platform, all media clips and related flashcards may ultimately come exclusively from the users themselves.

### Revenue Model

Large components of Movie Method will initially be offered for use free of charge. Users, once properly signed up by disclosing certain demographic information, will be able to learn a single language, and will get access to up to five phrases, and five corresponding media clips, per day. However, to learn multiple languages, and to get access to more phrases per day, users will need to subscribe to an advanced account for which the Company plans to charge a monthly subscription. Moreover, once the user base reaches an appropriate size, the Company may start charging a small monthly subscription fee even for lower level access, and the Company may contemplate selling banner ads in free use sections of the app.

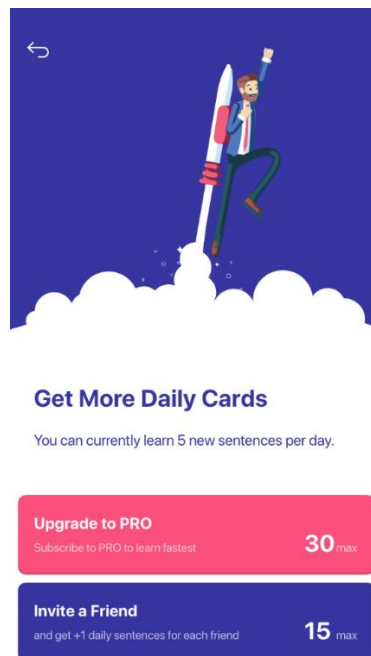


Figure 4 – Movie Method – Get More Daily Cards – Users may pay a monthly subscription fee to subscribe to an advanced “PRO” account.

To date, the Company has not earned any revenues through Movie Method or otherwise.

### Technology and Development

The Company purchased the media clip-based language training concept and its corresponding partial software platform in late 2017. The Company rebranded the app as “Movie Method” and, as of the end of its most recent fiscal year ended May 31, 2018, has spent an additional \$101,856 on further programming and development for the app. The Company has now completed developing prototype screens for all planned aspects of the app, totalling some 50+ screens.

Compiling media clips and their corresponding translations in multiple languages is an ongoing task. It is anticipated that the bulk of this task to ultimately be done by the users themselves from a self-upload media clip and flashcard construction platform. Initially, the Company plans to compile a sufficient number of media clips and flashcards in four to five languages so the app can be launched. The Company expects the first version of the app, with the initial number of languages and corresponding clips and translations, to be ready for launch in early 2019.

Movie Method is currently being developed as an iOS native app. In future, the Company intends to prepare an Android version of the app once it has fully developed and released the iOS version of the app. The Company uses Amazon’s services as backend support for Movie Method (storing clips, database, etc.), which will enable it to easily scale computing resources as and when required to match demand.

The development of the app currently occurs in Canada, the United Kingdom and Ukraine. Management and the board directs a lead developer in the United Kingdom, who in turn directs line-level programming and development teams in Ukraine.

To date, the Company has designed and programmed all major navigational aspects of the app, completed basic design layouts and artwork, as well as compiled colour schemes and logos for all of the essential navigation screens. The Company has also designed and developed the basic layout for translated media clip flashcards and developed software to guide how the flashcards will operate within the app itself. Major remaining items to complete include (1) building an in-house library of media clip-supported flashcards in English, Spanish, French, Russian and Mandarin, (2) building a platform allowing users to upload their own media clips and translations, (3) building a platform allowing users to provide feedback on user uploaded clips, (4) continuing to develop the app and internal marketplace of user uploaded clips; and (5) develop an administration panel for the administration of clips, users, flagged cards, etc.

The projected timeline and costs for completion of remaining portions of the app are as follows:

<b>Task</b>	<b>Expected completion</b>	<b>Estimated costs</b>
In house media clip flashcard library with translations	Task will be ongoing for the life of the app, but compilation of sufficient media clips to launch the app is expected to occur in late 2018 or early 2019	\$30,000
Platform allowing users to upload media clips and translations	In early 2019	\$25,000
Platform allowing review and, potentially, alteration of user uploaded clips	In early 2019	\$15,000
Internal marketplace of user contributed clips	In early 2019	\$12,500
Administration panel for the administration of clips, users, flagged cards, etc.	In early 2019	\$7,500

Remaining components of the app will be completed principally by the Company's subcontractors, with the bulk of work completed by Ukrainian programmers while under close supervision from UK subcontractors and Company management. This is the method used by the Company to develop the app to its current state. Subcontractors have provided an estimate of approximately \$20,000 per month for programming and design work to be completed at the rate required to have the app launched in the first half of 2019.

Additional steps required to reach commercialization of the app are as follows

<b>Step</b>	<b>Expected completion</b>	<b>Estimated cost</b>
Develop Movie Method brand, through online search optimisation and, possibly, targeted ads on the Internet.	Ongoing following launch, but initial branding to be completed in early 2019	\$10,000
Build up potential users for Movie Method, through sharing by users, online search engine optimisation and app store optimisation within the iOS and Google Play App Stores.	Ongoing following launch, but initial branding to be completed in early 2019	\$10,000

Start charging for banner ads in free sections of the app	Once the app is launched in in early 2019	\$5,000
Start charging users to use advanced sections of Movie Method app	Once the app is launched in early 2019	\$5,000

### **Specialized Skill and Knowledge**

The nature of the Company’s business requires specialized knowledge and technical skill with the creation and development of Internet and smart-phone based technologies. Specifically, for the Company’s first app, Movie Method, it also requires the use of proven language training methodology, as well as actual foreign language translation skills. Moreover, to gain access to low-cost programming and development teams in Eastern Europe, the Company requires knowledge and experience in dealing with that part of the world. See “*Background of Management and Directors*” for more information.

### **The Market for Mobile Language Training Technology**

The market for the global language services industry is estimated on statista.com at \$43 billion USD in 2018 and is projected to be \$47.5 billion USD by 2021. Mobile apps are expected to account for \$189 billion USD annually by 2020, and there are over 2 million apps available on both Google Play and Apple’s App Store in 2018 [<https://www.prnewswire.com/news-releases/mobile-apps-market-rising-at-1514-cagr-to-2021-675824253.html>].

Both language training and use of smartphone apps show steady growth now and are expected to continue to grow for the foreseeable future. The most recent trends suggest that while the language learning sector will continue to grow, growth will be heavily slanted towards the mobile technology side as opposed to traditional language training services, which may actually decline. Reuters estimated global sales for language services will dip in 2018, while the mobile share of these services may climb dramatically to \$14.5 billion USD by 2019 [<https://www.news18.com/news/tech/language-learning-market-declining-as-mobile-apps-teach-for-free-1050176.html>.] While the most popular second languages to learn are Mandarin, English, Hindi, Spanish and Russian, English appears to show the fastest growth, and the number of individuals learning English is expected to hit 2 billion within 5-10 years (quora.com). A significant portion of this increase is expected to come directly from Chinese undergraduates (quora.com).

### **Marketing and Sales Plan**

Prior to launching Movie Method, the Company plans to conduct extensive product testing to ensure users have a positive experience. Users will have the ability, both in testing and on an ongoing basis, to rate individual media clips for effectiveness, as well as the effectiveness of other aspects of the site. The app will encourage all users to share the technology with friends and family, as well as simplify and maximize the reach of the sharing process. In addition, the Company intends to undertake an online search engine optimisation campaign based on producing high quality language learning articles targeted at specific keyword search strings.

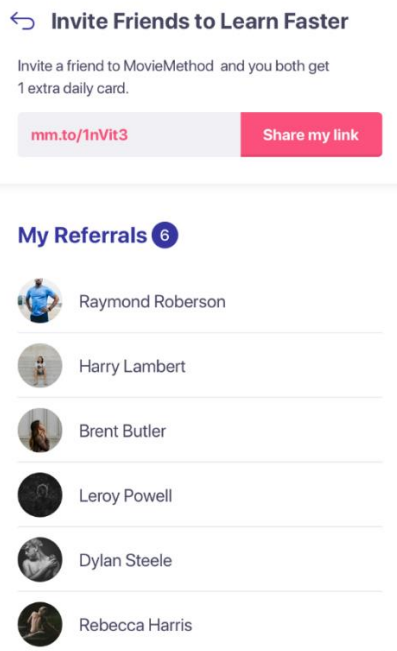


Figure 5 – Movie Method – Invite Friends to Learn Faster – Users will be encouraged to share the app with friends and family in order to gain access to additional daily flashcards.

Movie Method will be available to users online, initially through Apple’s “App Store” as an iOS app, and eventually also for Android through Google Play.

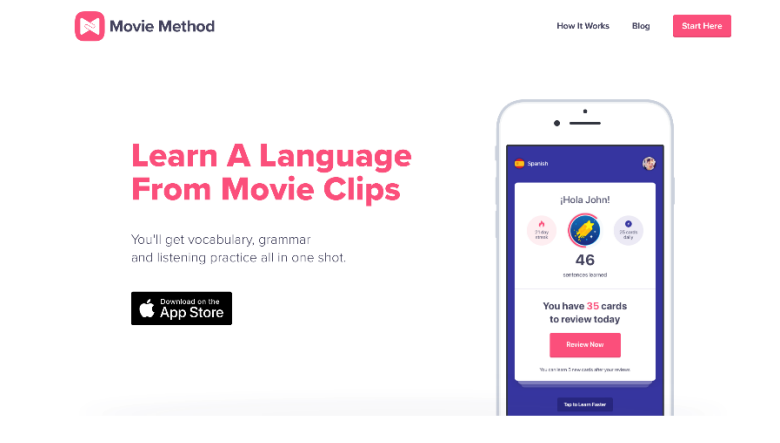


Figure 6 – Movie Method – App Store - Movie Method will be available to users online, initially through Apple’s “App Store” as an iOS app.

The Company believes that Movie Method will attract initial users to its first app in three main ways. First, the initial version of Movie Method will offer access to extensive free material. Users will be able to learn one other language, and up to five new phrases in that language each day at no cost. All other social resources on the app will also be accessible for free. Only once the user starts a second new language, and/or attempts to learn more than five new phrases each day, will payment obligations be triggered. Second, the Company believes that the unique media clip elements offered by the app will attract on-line fans, as well as anyone curious to try a completely new approach to language memory retention. In this vein, the Company will attempt to access as much free media and publicity as possible in an attempt to stimulate positive word of mouth. Finally, the Company plans to use traditional on-line marketing techniques that target persons interested in learning a second language.

**Government Regulation**

The Company and its customers are or may be subject to numerous regulations that affect the technology industry. Regulation and proposed regulation of the technology industry has increased significantly in recent years, and failure

to comply with such rules and regulations may have a negative adverse effect on the Company's business and operations. The Company is or may be subject to regulations related to privacy, data use and security in the jurisdictions in which it conducts business, and consumer protection laws, among others. In Canada, the Company is subject to the *Canadian Personal Information Protections and Electronic Documents Act*, and in British Columbia to the Canadian federal *Personal Information Protection Act* ("PIPA"). PIPA describes how all private sector organizations must handle the personal information of the public (the Company's users). Under PIPA, businesses are made accountable for the personal information under their control. Businesses must, among other things, limit the collection of personal information to that which is necessary for their purposes, protect the privacy of any personal information under their control, designate a privacy officer for the company, establish procedures to handle privacy complaints or inquiries, obtain consent from an individual before the business collects, uses or discloses his or her personal information, and only use or disclose personal information for reasonable purposes that are appropriate in the circumstances and for the purpose according to which the personal information was collected.

In recent years, there has been heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. Regulation of privacy, data use and security may materially increase the Company's costs and its customers' costs and may decrease the number of customers that use the Company's product(s), which could materially and adversely affect its profitability. The Company's failure, or the failure of its customers, to comply with the privacy, data use and security laws and regulations, and any other regulations to which the Company is or becomes subject to, could result in fines, sanctions and damage to its reputation and its brand.

The Company's business depends upon the continued use of the Internet as a primary medium for commerce, communication and business services. Domestic or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Changes in these laws or regulations could require the Company to modify its services in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the Internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications generally, or result in reductions in the demand for Internet-based services.

The Company believes that it is and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Canada. There are no current orders or directions relating to the Company with respect to the foregoing laws and regulations.

### **Intangible Properties**

The Company relies on intellectual property laws, confidentiality agreements, contractual provisions and similar measures to protect its intellectual property. The Company's contracted service providers and members of its management are required to sign agreements acknowledging that all intellectual property created by them on the Company's behalf is owned by the Company. Moreover, once the Company's "self-loading" clip platform has been developed, it will consider making a patent application for the platform in Canada, the United States, or both. If the Company files a patent application for the self-loading clip platform, there can be no assurance that its patent application will be granted, and it often takes a number of years before a patent application is approved. The Company may also register a trademark for "Movie Method" in those jurisdictions.

Despite the Company's efforts to protect its intellectual property, unauthorized persons may attempt to obtain its intellectual property and others may develop similar intellectual property independently.

The Company has also purchased the domain name [www.moviemethod.com](http://www.moviemethod.com) and registered the domain name [www.moviemethod.app](http://www.moviemethod.app).

### **History**

The following is a timeline of key events in the Company's history:

<b>Date</b>	<b>Details</b>
June 26, 2017	incorporated the Company and appointed Peter Smith and Michael Raven as directors
December 21, 2017	completed equity financing raising \$38,158 by issuing 1,907,928 common shares of the Company to Peter Smith, a director of the Company, at a price of \$0.02 per share
December 22, 2017	completed asset purchase agreement with Leon Apel, acquiring all right, title and interest to the assets, including the intellectual property rights to such assets, forming the basis of Movie Method, in exchange for the issuance of 12,000,000 common shares at \$0.02 per share, for total consideration of \$240,000

December 29, 2017	completed equity financing raising an aggregate of \$216,232 by issuing an aggregate of 4,324,636 common shares of the Company at a price of \$0.05 per share
January 2, 2018	executed the Contractor Agreement under which the Estonian Contractor provides consulting, design and software development services to the Company in Ukraine
January 17, 2018	executed the Consulting Services Agreement under which the UK Consultant provides technology development services to the Company
January 19, 2018	purchased the domain name <a href="http://www.moviemethod.com">www.moviemethod.com</a> for USD\$450
March 28, 2018	changed name of the Company to “Radial Research Corp.”
March 29, 2018	Michael Raven resigned as a director of the Company, and Guy Pinsent, Charles Ackerman and Jerzy Szulecki were appointed as directors of the Company; Peter Smith was appointed as Chief Executive Officer of the Company and Charles Ackerman was appointed as Chief Financial Officer of the Company
April 15, 2018	the UK Consultant presents Movie Method progress to the board, the Agent and the Company’s auditors, having completed all working screens of the app and having initiated compiling media screens and various learning flashcards. Estimated date for completion of a “launchable” version of the app slated for early 2019
May 23, 2018	registered the domain name <a href="http://www.moviemethod.app">www.moviemethod.app</a>
May 29, 2018	Jerzy Szulecki resigned as a director of the Company and David Johnson joined as a director of the Company.

### **Future Plans/Business Objectives and Milestones**

The Company’s short-term business objectives are to: (i) raise capital to develop its business by completing the Offering; (ii) continue software development of Movie Method; (iii) develop Movie Method brand; (iv) build up users and potential users for Movie Method; and (v) if required, execute use agreement(s) with select media clip copyright holders.

### **Trends**

Apart from the risk factors noted under the heading “Risk Factors,” the Company is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on its business, financial condition or results of operations.

### **Competitive Conditions**

The development of on-line and download technologies and services is highly competitive and has relatively low barriers to entry. The level of competition has increased in recent years, and larger providers have established a significant market share. Some of the Company’s competitors are large technology companies that have significantly greater financial, technical, marketing and other resources; may be able to devote greater resources to the development, promotion, sale and support of their products and services; may have more extensive customer bases and broader customer relationships; and, may have longer operating histories and more brand recognition. In some cases, these companies may choose to offer their technology at lower prices or rates in response to new competitors entering the market. There are also a number of smaller technology developers that provide a range of products and services. The Company’s competitors may develop or offer products or services that have price or other advantages over the products or services provided by the Company or may be provided in the future. In competing with such companies, the Company may be unable to establish demand for its technology, products and services which could adversely affect the establishment of its operations and ability to generate revenues. Competition also exists for the recruitment of qualified personnel. See “Risk Factors.”

The smart phone language application industry is also highly competitive. The Company may compete against many international businesses, many of which are larger than it, have a dominant and secure position in the industry, and/or offer other goods and services to consumers which the Company does not offer. As the language training and smart phone application industries are increasingly converging, the pace of change, innovation and disruption are also increasing.



There are numerous Internet-based and smart phone app technologies that help users learn a second language. The following table presents some of these, but is not exhaustive:

Name	Estimated users	Languages taught	Free component	Special notes
Duolingo	Over 100 million users since inception	22 listed on duolingo.com in June, 2018	Extensive free components – access to introductory lessons and can expand by sharing on social media	Not aimed solely at English users Empowers users to contribute to teaching
Hellotalk	Over 7 million users since inception	Potentially unlimited based on platform that connects users to native speakers	App and basic functions are free with downloadable extras for purchase	Connects users to native speakers through video and audio Highlights interest in a new language based on cultural exchange as well as learning
Mindsnacks	Over 322 million “words and phrases learned” through their learning games as of June 2018	8 (including basic English help for children)	Limited number of games are free for each language, with the bulk available with paid “upgrade” apps	Heavy emphasis on “games” in the learning process
Busuu	Over 80 million users since inception	12 listed on busuu.com as of June 2018	Free to use basic function, “premium” pay area unlocks advanced features	Special “crash course” for travellers Traditional learning methodology divided into units with oral testing capabilities
Babbel	Over 1 million “active” subscribers (claims to be the world’s first language learning app – launched in 2007)	14 listed on Babbel.com as of June 2018	Extensive free section	Traditional teaching algorithms Uses pop ups to jog memory and assist pronunciation Emphasis on “real conversation” skills

## Employees

As of the date of this Prospectus, the Company has four directors and two officers (its Chief Executive Officer and Chief Financial Officer, both of which are independent contractors). The Company does not have any employees.

## USE OF PROCEEDS

The Company will receive net proceeds of \$184,000 from the Offering if the minimum number of Offered Shares is sold, after deduction of the Agent’s cash commission but before deducting the Offering expenses estimated at \$85,000, and net proceeds of \$460,000 from the Offering if the maximum number of Offered Shares is sold. Adding

these net proceeds to the estimated working capital of the Company as at June 30, 2018 of \$142,443, results in a minimum of \$326,443 and a maximum of \$602,443 in available funds on a pro forma basis. The Company intends to use the available funds as follows:

<u>Principal Purpose</u>	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Balance of estimated costs of the Offering (including legal, audit and amounts due to the Agent, and applicable filing fees and listing fees) and the corporate finance fee	\$62,500 <sup>(1)</sup>	\$62,500 <sup>(1)</sup>
Development of Movie Method <sup>(2)</sup>	\$120,000	\$120,000
Estimated general and administrative expenses for 12 months	\$75,000	\$75,000
Unallocated working capital	<u>\$68,943</u>	<u>\$344,943</u>
<b>TOTAL:</b>	<b>\$326,443</b>	<b>\$602,443</b>

(1) Total estimated costs of the Offering are \$85,000, comprised of legal costs of \$25,000, auditor's review costs of \$10,000, Agent's expenses of \$15,000, applicable filing fees and listing fees of \$20,000, and the corporate finance fee (not including GST) of \$15,000. To date the Company has paid \$22,500 (plus GST) of this total amount: \$7,500 (plus GST) has been paid to the Agent as partial payment of the corporate finance fee, and \$15,000 (plus GST) has been deposited against expenses to be incurred by the Agent pursuant to the Agency Agreement.

(2) See "Description and General Development of the Business".

Upon completion of the Offering, the Company's working capital available to fund ongoing operations will be sufficient to meet administrative costs and expenditures for at least twelve months. The Company has had negative cash flow from its operating activities since its incorporation and expects to continue to have negative cash flow from its operating activities in the future. The Company's source of funds since incorporation has been from the sale of equity capital and the Company expects that equity capital will continue to be its source of funds in the future. See "Risk Factors" for further disclosure of the risk of negative cash flow from its operating activities.

A breakdown of the estimated general and administration expenses for the 12 months following the Company becoming a public company is set out below:

<u>12 Month General &amp; Administrative Expenses</u>	<u>(\$)</u>	<u>(\$)</u>
	<u>Monthly</u>	<u>Annual</u>
Audit	1,000	12,000
Legal	500	6,000
Management Fees <sup>(1)</sup>	2,000	24,000
Office Expenses	250	3,000
Shareholder Communications	250	3,000
Telecommunications / Internet / Computer	250	3,000
Transfer Agent / Filing Fees	1,500	18,000
Transportation and Accommodation	500	6,000
<b>Total</b>	<b>\$6,250</b>	<b>\$75,000</b>

(1) The Company's CFO will receive a management fee of \$2,000 per month.

### **Movie Method Development Details**

More than 10% of net proceeds from the Offering will be used for ongoing development of the Company's first app, Movie Method. To date, the Company has expended \$101,856 on development of the app, which has allowed the Company to create and complete all major navigational aspects of the app, basic design and artwork, as well as colour schemes and logos. The Company has also designed and developed the basic layout for media clip flashcards and developed software to guide how the flashcards will operate within the app itself. Major remaining items to complete include (1) building an extensive in-house library of media clip-supported flashcards in English, Spanish, French, Russian and Mandarin, (2) building a platform allowing users to upload their own media clips and translations, (3) building a platform allowing users to provide feedback on user uploaded clips, (4) continuing to develop the app and internal marketplace of user uploaded clips; and (5) develop an administration panel the administration of clips, users, flagged cards, etc. See "General Development of the Business – Movie Method – Technology and Development" for further detail.

The Company's business objectives using the available funds described above are to: (i) continue software development of Movie Method; (ii) develop Movie Method brand; (iii) build up users and potential users for Movie Method; and (iv) if required, execute use agreement(s) with media clip copyright holders.

Business Objective	Description and Expected Completion	Estimated Cost
Continue software development of Movie Method	The Company expects a live version of the app to be ready in early 2019. This initial version is expected translate up to 5 languages. To date, various working screens of the app have been completed (intro screens, social media sharing, progress screens, etc.), and the Company has begun to assemble media clips and their corresponding translation flashcards. The Company has also begun construction of a platform which will allow users with various language backgrounds to upload their own media clips and translations. Once the Company feels there is sufficient material available for users, it will make a single language and up to 5 media clip flashcards app available for free, with a paid use option for complete access to additional languages and flashcards.	\$100,000
Develop Movie Method brand	Developing the brand will be ongoing, but initial branding is expected to be completed in early 2019, through online search optimisation and, possibly, targeted ads on the Internet.	\$10,000
Build up potential users for Movie Method	Acquiring users, which will be ongoing following commercial launch of the app, will initially be achieved through sharing by users, online search engine optimisation and app store optimisation within the iOS and Google Play App Stores.	\$10,000
If required, execute use agreements with copyright holders	The Company will initially use media clips that do not require copyright permission. Moreover, the Company will continue exploring legal means which would allow the Company to use copyright material in certain circumstances (for example, under fair use exemptions). The Company will also construct a platform allowing users to upload media clips and translations of their own. Finally, the Company will also seek to secure certain strategic use agreements if it becomes clear this will be in the best interests of the Company. It is possible that the Company discovers over the coming months that such use agreement will not be necessary, due to the existence of adequate media clips not covered by copyright protection, due to the availability to copyright exemptions, and/or do to the use of a platform allowing users to upload their own media clips and translations.	\${unknown} <sup>(1)</sup>

(1) Any use agreements with copyright holders will be subject to negotiation with each such holder, and therefore it is not possible to estimate the cost of any such agreements at this time.

The Company's unallocated working capital will be available for development of Movie Method. If not required for further work on the development of the app, those funds will be available for acquisition or development of other assets. The Company intends to spend the funds available to it as stated in this Prospectus however, where necessitated by sound business reasons, a reallocation of funds may be required.

## SELECTED FINANCIAL INFORMATION

### Summary of Annual Financial Information

The following table sets forth summary financial information for the Company for the period from incorporation on June 26, 2017, to May 31, 2018. This information has been summarized from the Company's audited financial statements for the same period. This summary of financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included with this Prospectus.

	Period from Incorporation to May 31, 2018
Intangible assets	\$216,000
Total assets	\$404,428
Total revenues	\$0
Long-term debt	\$0
Research and development	\$101,856
Amortization	\$24,000
General and administrative expenses	\$1,290
Net loss	\$134,447
Basic and diluted loss per share <sup>(1)</sup>	\$0.02

(1) Based on weighted average number of common shares issued and outstanding for the period.

### DIVIDEND RECORD AND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on its common shares. The Company intends to retain its earnings to finance growth and expand its operations and does not expect to pay any dividends in the foreseeable future. The Company does not currently have a policy with respect to the payment of dividends.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements of the Company and the related notes thereto included in this Prospectus. This discussion is current as of the date of this Prospectus. The financial statements of the Company and the financial information contained in this MD&A were prepared in accordance with IFRS.

The following MD&A contains forward-looking statements that involve numerous risks and uncertainties. Actual results of the Company could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth in this Prospectus under "Cautionary Statement Regarding Forward-Looking Information" and under "Risk Factors".

#### General

The Company was incorporated on June 26, 2017, to operate as a technology company to develop on-line and download technologies and services, including software, web-sites and smartphone applications, with an initial focus on a language training smartphone application called Movie Method. The Company has selected May 31 as its fiscal year end.

All direct costs related to the development of its technology have been expensed. The Company has no operating cash flow and its level of expenditures is dependent on the sale of equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

#### Liquidity and Capital Resources

The Company is in the development stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares. From the date of incorporation on June 26, 2017, to May 31, 2018, it has raised \$254,390 from the sale of shares for cash through the issuance of 6,232,564 shares. The

Company has also issued 12,000,000 shares to Leon Appel as consideration under the Asset Purchase Agreement. In total, there are 18,232,564 shares outstanding as of the date of this Prospectus.

As at May 31, 2018, current assets were \$188,428 and current liabilities were \$44,485, resulting in working capital of \$143,943 at that time. There are no known trends affecting liquidity or capital resources.

As at May 31, 2018, the Company had total assets of \$404,428 which are comprised of \$164,803 cash and \$216,000 of intangible assets. The net proceeds to be raised from the Offering are expected to fund the Company's operations for at least 12 months. See "Description of the Business" and "Use of Proceeds".

The Company is in the process of developing an innovative language learning app, Movie Method. The Company has not yet determined whether Movie Method will be economically viable or that there is a market. As such the development expenditures to date have been expensed. The ability of the Company to obtain necessary financing will be critical to complete the development and commercialization of Movie Method.

While the information in this Prospectus has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

### **Results of Operations**

The loss for the period from incorporation to May 31, 2018, was \$134,447. Total expenses for the period were \$134,447, of which \$1,290 was general and administrative, \$101,856 was research and development, \$10,000 was professional fees, (\$2,699) was foreign exchange loss and \$24,000 was amortization expense. Professional fees consists of legal, accounting and audit fees.

### **Disclosure of Outstanding Security Data**

As of the date of this Prospectus, the Company has: 18,232,564 common shares issued and outstanding; and 500,000 stock options, each exercisable for one common share of the Company for \$0.10, issued and outstanding. The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

### **Additional Disclosure for Junior Issuers**

The proceeds raised under this Prospectus are expected to fund the Company's operations for at least 12 months. The estimated total operating costs necessary for the Company to achieve its stated business objectives during that period of time is \$245,050, which includes the balance of the estimated costs of the Offering, the corporate finance fee, estimated development expenditures on Movie Method and estimated general and administrative expenses.

### **Financial Instruments and Other Instruments**

The carrying values of cash and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

### **Use of Estimates**

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements.

### **Transactions between Related Parties**

During the period from incorporation to May 31, 2018, the Company did not pay or make any provision for the future payment of amounts to related parties.

## Outlook

For the coming year, the Company's priorities are to complete the Offering, become a listed company on the Exchange and to: (i) continue software development of Movie Method; (ii) develop Movie Method brand; (iii) build up users and potential users for Movie Method; and (iv) execute use agreement(s) with media clip copyright holders.

There are significant risks that might affect the Company's further development. See "Risk Factors".

## Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements for the period from incorporation to May 31, 2018. The Company, in consultation with its Auditor, periodically reviews accounting policy changes implemented within its industry.

## DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The authorized share capital of the Company consists of an unlimited number of common shares without par value. At the date of this Prospectus, the Company has an aggregate of 18,232,564 fully paid common shares issued and outstanding.

The holders of the Company's common shares, including the Offered Shares, are entitled to:

- vote at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote;
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which there are none as at the date of this Prospectus), any dividends declared by the Company; and
- receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, special tax counsel to the Company, based on the current provisions of the *Income Tax Act* (Canada) (the "Tax Act"), provided that on the date of the Offering (i) the Offered Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the Exchange, or (ii) the Company is a "public corporation" (as defined in the Tax Act), the Offered Shares will on that date be "qualified investments" under the Tax Act for a trust governed by a "registered retirement savings plan" ("RRSP"), "registered retirement income fund ("RRIF"), "registered disability savings plan" ("RDSP"), "deferred profit sharing plan", "registered education savings plan" ("RESP") or "tax-free savings account" ("TFSA"), each as defined in the Tax Act.

Notwithstanding that an Offered Share may be a qualified investment for an RRSP, RRIF, RESP, RDSP or TFSA as discussed above, if the Offered Share is a "prohibited investment" for the purposes of the Tax Act, the holder of a RDSP or TFSA, the subscriber of a RESP or the annuitant under an RRSP or RRIF which holds such Offered Share will be subject to penalty taxes as set out in the Tax Act. The Offered Share will be a prohibited investment for a RRSP, RRIF, RESP, RDSP or TFSA if the holder, subscriber or annuitant, as the case may be, does not deal at arm's length with the Company for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. However, an Offered Share will not be a "prohibited investment" if the shares are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by such RRSP, RRIF, RESP, RDSP or TFSA.

**Prospective purchasers of Offered Shares who intend to invest through a RRSP, RRIF, TFSA, RDSP or RESP should consult their own tax advisors with respect to whether the Offered Shares would be a prohibited investment having regard to their particular circumstances.**

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated before and after giving effect to the minimum and maximum sizes of the Offering. This table should be read in conjunction with the financial statements of the Company (including the notes thereto) contained in this Prospectus.

Description	Outstanding as at May 31, 2018	Outstanding as at the date of this Prospectus	Outstanding after giving effect to the minimum size of the Offering	Outstanding after giving effect to the maximum size of the Offering
Common shares	18,232,564	18,232,564	20,232,564	23,232,564
Share capital	\$494,390	\$494,390	\$694,390	\$994,390
Long-term debt	Nil	Nil	Nil	Nil

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

The Company has adopted a stock option plan (the “Plan”) which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company’s long-term incentive scheme. The key features of the Plan are as follows:

- The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options.
- The options have a maximum term of five years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.
- The exercise price of options granted under the Plan will be determined by the board of directors but will not be less than the greater of the closing market price of the Company’s common shares on the Exchange on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.
- The expiry date of an option shall be the earlier of the date fixed by the Company’s board of directors on the award date, and: (a) in the event of the death of the option holder while he or she is a director or employee (other than an employee performing investor relations activities), 12 months from the date of death of the option holder, or while he or she is a consultant or an employee performing investor relations activities, 30 days from the date of death of the option holder; (b) in the event that the option holder holds his or her option as a director and such option holder ceases to be a director of the Company other than by reason of death, 90 days following the date the option holder ceases to be a director (provided however that if the option holder continues to be engaged by the Company as an employee or consultant, the expiry date shall remain unchanged), unless the option holder ceases to be a director as a result of ceasing to meet the qualifications set forth in section 124 of the *Business Corporations Act* (British Columbia) or a special resolution passed by the shareholders of the Company pursuant to section 128(3) of the *Business Corporations Act* (British Columbia), in which case the expiry date will be the date that the option holder ceases to be a director of the Company; (c) in the event that the option holder holds his or her option as an employee or consultant of the Company (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Company other than by reason of death, 30 days following the date the option holder ceases to be an employee or consultant, unless the option holder ceases to be such as a result of termination for cause or an order of the British Columbia Securities Commission, the Exchange or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company; and (d) in the event that the option holder holds his or her option as an employee or consultant of the Company who provides investor relations activities on behalf of the Company, and such option holder ceases to be an employee or consultant of the Company other than by

reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Company.

The Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.

### Outstanding Options

As of the date of this Prospectus, there are 500,000 stock options, each exercisable for one common share in the capital of the Company for \$0.10, issued and outstanding as follows:

Name	Number of Common Shares under Option	Exercise Price per Common Share	Expiry Date
Executive officers of the Company	200,000	\$0.10	June 1, 2023
Directors of the Company who are not also executive officers	200,000	\$0.10	June 1, 2023
Consultants of the Company	100,000	\$0.10	June 1, 2023
<b>Total</b>	<b><u>500,000</u></b>		

### PRIOR SALES

The following table summarizes the sales of common shares by the Company under private placements from incorporation to the date of this Prospectus.

Allotment Date	Price per Share	No. of Shares	Reason for Issuance
June 26, 2017	\$0.01	1	Incorporation <sup>(1)</sup>
December 21, 2017	\$0.02	1,907,928	Private Placement
December 22, 2017	\$0.02 <sup>(2)</sup>	12,000,000	Asset Purchase Agreement
December 29, 2017	\$0.05	2,162,318	Private Placement
December 29, 2017	\$0.05	2,162,318	Private Placement
<b>Total as at the date of this Prospectus</b>		<b>18,232,564</b>	

(1) This share was surrendered and cancelled on Dec 21, 2017.

(2) These shares were not issued for cash, and this is a deemed price per share.

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

#### Escrowed Securities

In accordance with the policies of the applicable securities commissions and the Exchange, each of Peter Smith and Leon Apel (the “**Escrow Shareholders**”) have entered into an agreement (the “**Escrow Agreement**”) with the Company and AST Trust Company (Canada) (the “**Trustee**”), whereby they have agreed to deposit in escrow their common shares (the “**Escrowed Shares**”).

The number of Escrowed Shares is as follows:

Designation of Class	Number of Restricted Shares	Percentage of Class <sup>(1)</sup>
Common	13,907,928 Common Shares	59.86% <sup>(2)</sup>



- (1) Of the common shares deposited with the Trustee, 10% will be released to the Escrow Shareholders upon completion of the Offering (the “**First Release**”), and an additional 15% will be released to the Escrow Shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the First Release, or at any time prior thereto with the consent of the applicable regulatory authorities.
- (2) This percentage is applicable upon completion of the Offering, assuming the maximum number of Offered Shares is sold and assumes none of the Escrow Shareholders participate in the Offering. If the minimum number of Offered Shares is sold, then upon completion of the Offering this percentage will be 68.74%.

The Company is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators, and if the Company achieves “established issuer” status during the term of the Escrow Agreement, it will “graduate,” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers, as if the Company had originally been classified as an established issuer.

## PRINCIPAL HOLDERS OF COMMON SHARES

To the knowledge of the directors and senior officers of the Company, the following are the only people who, as at the date of this Prospectus, beneficially own, directly or indirectly, or exercise control or direction over common shares of the Company carrying more than 10% of the outstanding voting rights attached to the Company’s common shares:

Name of Shareholder	Type of Ownership	Number of Securities Owned by Shareholder	Percentage of Ownership on an Undiluted Basis <sup>(1)</sup>	Percentage of Ownership on a Fully-diluted Basis
Peter Smith	Direct	1,907,928 Shares	10.46%	7.91% <sup>(2)</sup>
Leon Apel	Direct	12,000,000 Shares	65.82%	49.73% <sup>(3)</sup>
Hans Wild	Direct	2,162,318 Shares	11.86%	8.96% <sup>(4)</sup>
Indutec AG	Direct	2,162,318 Shares	11.86%	8.96% <sup>(4)</sup>

- (1) Based on 18,232,564 issued and outstanding common shares as at the date of this Prospectus.
- (2) Based on 24,132,564 issued and outstanding common shares on a fully diluted basis, assuming the maximum number of Offered Shares is sold and assuming exercise of all of the stock options and Agent’s Options. If the minimum number of Offered Shares is sold, then upon completion of the Offering this percentage will be 9.13%.
- (3) Based on 24,132,564 issued and outstanding common shares on a fully diluted basis, assuming the maximum number of Offered Shares is sold and assuming exercise of all of the stock options and Agent’s Options. If the minimum number of Offered Shares is sold, then upon completion of the Offering this percentage will be 57.44%.
- (4) Based on 24,132,564 issued and outstanding common shares on a fully diluted basis, assuming the maximum number of Offered Shares is sold and assuming exercise of all of the stock options and Agent’s Options. If the minimum number of Offered Shares is sold, then upon completion of the Offering this percentage will be 10.35%.

## DIRECTORS AND OFFICERS

Details regarding the directors and officers of the Company as at the date of this Prospectus are as follows:

<b>Name, Residence and Current Position with the Company</b>	<b>Date Appointed</b> <sup>(1)</sup>	<b>Principal Occupation or Employment during the Past Five Years</b> <sup>(2)</sup>	<b>Number of Common Shares</b> <sup>(3)</sup>
Peter Smith <sup>(4)(5)</sup> Victoria, British Columbia, Canada Director and Chief Executive Officer	June 26, 2017	President and CEO of Less Mess Storage Inc. (now, Less Mess Storage S.A.), a self-storage company, from September 2010 to April 2014; President and CEO of Legion Metals Corp., a mineral exploration company, since March 2017.	1,907,928
Charles Ackerman Fall River, Nova Scotia, Canada Director and Chief Financial Officer	March 29, 2018	President and CEO of Novillo Capital Limited, a consulting company, since September 2017, CFO of Legion Metals Corp., a mineral exploration company, since May 2017, Manager of Mergers and Acquisitions at Iona Resources Holdings Limited, an investment company, from August 2015 to September 2017; accountant at Grant Thornton LLP, an accounting firm, from January 2015 to August 2015; accountant at AC HTBA LLP from April 2012 to January 2015.	Nil
Guy Pinsent <sup>(4)</sup> Warsaw, Poland Director	March 29, 2018	President and CEO of Less Mess Storage S.A. (formerly Less Mess Storage Inc.), a self-storage company, since April 2014; Director and Partner of Premium Energy Fund from August 2012 to April 2014; independent consultant through Cenlap Properties Ltd. from March 2008 to April 2014.	Nil
David Johnson <sup>(4)</sup> Duncan, British Columbia Director	May 29, 2018	Para-professional with special education for London District Catholic School District for over 10 years up until May 2017. Since then he has pursued entrepreneurial opportunities in education technology.	Nil

- (1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
- (2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
- (3) These common shares are subject to escrow restrictions. See "Escrowed Securities".
- (4) Member of the audit committee.
- (5) Mr. Smith may be a "Promoter" (as defined in Section 1 of the *Securities Act* (British Columbia)) of the Company, in that he took the initiative in founding and organizing the Company.

As of the date of this Prospectus, the directors and executive officers of the Company, as a group beneficially owned, directly or indirectly, or exercised control or direction over 1,907,928 (10.46%) of the common shares of the Company.

## Directors' and Officers' Biographies

### *Peter Smith, 48, Director and Chief Executive Officer*

Peter Smith obtained a Bachelor of Laws degree from the University of British Columbia in 1999, a Masters degree from Cambridge University in the United Kingdom in 1997, and a Bachelor of Arts degree from Simon Fraser University in 1995. Mr. Smith was a director of Amicus Capital Corp. and Palatine Capital Corp. in from 2007 to 2009 and from 2009 to 2011 respectively, and a director of Terra Firma Resources Inc., a TSX Venture Exchange company, from 2007 to 2010. Mr. Smith co-founded DGM Minerals Corp. in 2010, which became a TSX Venture Exchange company in 2012 (TSXV:DGM), acquired self-storage assets in Eastern Europe in 2014 and changed its name to "Less Mess Storage Inc." (TSXV:LMS), and was acquired in a go-private transaction pursuant to a plan of arrangement in 2015. Mr. Smith has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company. He currently plans on spending 50% of his time on Company matters. As CEO (as an independent contractor), Peter Smith is responsible for the day to day operations of the Company and the implementation of significant corporate policies as may be directed by the board of directors from time to time.

### *Charles Ackerman, 27, Director and Chief Financial Officer*

Charles Ackerman obtained a Bachelor of Commerce Degree in Accounting from Saint Mary's University and received a CPA, CA designation in 2014, following which he spent time with Grant Thornton LLP in corporate finance and mergers and acquisitions focused on mid-market transactions. In 2015 Mr. Ackerman left Grant Thornton to develop a corporate finance consulting business providing strategic consulting to family offices and high growth businesses. Mr. Ackerman has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company. He currently plans on spending 25% of his time on Company matters. As CFO (as an independent contractor), Mr. Ackerman is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

### *Guy Pinsent, 42, Independent Director*

Guy Pinsent holds a Master of Arts Degree in Economics from Cambridge University (Pembroke College). In 2013, Mr. Pinsent teamed up with the DGM Minerals Corp. (TSXV: DGM) board to pursue a self-storage acquisition in Warsaw, Poland, and Prague, Czech Republic. After a successful capital raise, the acquisition closed in April 2014 and the company changed its name to "Less Mess Storage Inc." (TSXV:LMS), with Mr. Pinsent becoming the President and CEO, a role which Mr. Pinsent maintains to date as the business pursues growth in Poland and the Czech Republic under the name Less Mess Storage S.A. Mr. Pinsent has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company. He currently plans on spending 10% of his time on Company matters.

### *David Johnson, 49, Independent Director*

David Johnson obtained a Bachelor of Arts (Humanities) from the University of Calgary in 1992 while playing for the Varsity Men's Basketball team on full scholarship. He completed the Multimedia Communication and Design certificate course from the Applied Multi-media Training Center (Calgary, Alta) in 2000. Along with extensive professional development in working with special needs children in education, he also completed the Geneva Centre for Autism ABA (Applied Behavior Analysis) Certificate, both levels I and II, in 2011-2012 (completed in London Ontario). David worked as a para-professional with Special Education for the London District Catholic School Board ("LDCSB") from 2004 to 2017, and has over 20 years of experience working with autism, students with learning disabilities and exceptional needs children in both educational and residential settings. David left the LDCSB in May 2017 to pursue entrepreneurial opportunities in education technologies. Having interest, training and experience in both computer programming and special learning environments, David brings a well-rounded and vocational insight to learning applications to be developed by the Company, including Movie Method. Mr. Johnson has signed a non-disclosure agreement with the Company but has not signed a non-competition agreement with the Company. He currently plans on spending 10% of his time on Company matters.

## Management of the Company

The Company's Chief Executive Officer provides overall leadership and vision in developing the strategic direction of the Company, in consultation with the Company's board of directors (the "**Board**"). The Chief Executive Officer also manages the overall business of the Company to ensure its strategic plan is effectively implemented and the results are monitored and reported to the Board. The Company's Chief Financial Officer is responsible for

establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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

- (a) other than as described below, was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above paragraph, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, no 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:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, 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
- (b) 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 become 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.

No 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:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

The Company’s directors 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 that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. To the best of the Company’s knowledge, and other than as disclosed in the following paragraph, there are no known existing or potential conflicts of interest among the Company, its directors and officers or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests.

Certain of the directors and officers currently serve as directors and officers of other private and public companies. Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers may be serving another corporation with interests that are in direct competition with the Company. In the event of any conflicts of interest, such conflicts must be disclosed to the Company and dealt with in accordance with the provisions of the *Business Corporations Act* (British Columbia).

## PROMOTER

Peter Smith may be considered to be the Promoter of the Company in that he took the initiative in founding and organizing the Company. Mr. Smith owns 1,907,928 common shares of the Company (10.46% of the total number of shares issued and outstanding) and 100,000 stock options of the Company (20% of the total number of options issued and outstanding).

## EXECUTIVE COMPENSATION

For the purposes of this section, “Named Executive Officers” means the Chief Executive Officer and Chief Financial Officer of the Company. Peter Smith has been the Chief Executive Officer of the Company since March 29, 2018, and Charles Ackerman has been the Chief Financial Officer of the Company since March 29, 2018.

### Compensation Discussion and Analysis

The Company does not have a formal compensation program for its directors or management. The Board of Directors relies on the experience of its members as current or former officers or directors of other junior exploration companies to ensure that total compensation paid to the Company’s management is fair and reasonable.

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general philosophy of the Company’s compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interest of shareholders; (c) provide a reasonable compensation package to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company’s overall financial position.

The compensation to executive officers is comprised of salaries and, if and when granted, incentive stock options. In establishing levels of cash compensation and the granting of stock options, the executive’s performance, level of expertise and responsibilities are considered.

Incentive stock options are granted pursuant to the Plan, which is designed to encourage share ownership on the part of management, directors and employees. The Board believes that the Plan aligns the interests of the Company’s personnel with shareholders by linking compensation to the longer term performance of the Company’s shares. The granting of incentive stock options is a significant component of executive compensation as it allows the Company to reward each executive officer’s efforts to increase shareholder value without requiring the use of the Company’s cash reserves.

Stock options may be granted with the approval of the Board at the time of the executive’s hiring or appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

### Incentive Plan Awards

There are currently 500,000 stock options issued and outstanding, each option exercisable for one common share at a price of \$0.10 for five years from the date of issuance. The Company may grant further options to its directors, officers, employees and consultants pursuant to the Plan following listing of the Company’s shares on the Exchange. See “Options to Purchase Securities”.

### Summary Compensation Table

The following table sets forth a summary of all compensation paid during the period from incorporation to May 31, 2018, to the Named Executive Officers:

Name and Principal Position	Salary (\$)	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-term Incentive Plans			
Peter Smith Chief Executive Officer	Nil	Nil	Nil <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	Nil	Nil <sup>(2)</sup>	Nil	Nil	Nil	Nil <sup>(3)</sup>	Nil

(1) On June 1, 2018, Mr. Smith was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(2) On June 1, 2018, Mr. Ackerman was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

#### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all of the share-based awards and option-based awards issued to the Named Executive Officers from incorporation to May 31, 2018:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Smith Chief Executive Officer	Nil	n/a	n/a	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	n/a	n/a	Nil	Nil	Nil

#### Incentive Plan Awards – Value Vested or Earned During the Period

The following table sets forth the value of all vested awards under incentive plans for each of the Named Executive Officers from incorporation to May 31, 2018:

Name	Option-based awards – Value vested during the period (\$)	Share-based awards – Value vested during the period (\$)	Non-equity incentive plan compensation – Value earned during the period (\$)
Peter Smith Chief Executive Officer	Nil	Nil	Nil
Charles Ackerman Chief Financial Officer	Nil	Nil	Nil

### Termination of Employment, Change in Responsibilities and Employment Contracts

There are no employment contracts or arrangements in existence between the Company and any director or officer of the Company.

There is no arrangement or agreement made between the Company and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

### Director Compensation

The only arrangements, standard or otherwise, pursuant to which the Company may compensate directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options. See "Options to Purchase Securities".

The following table sets forth a summary of all compensation paid during the period from incorporation to May 31, 2018, to the directors of the Company other than the Named Executive Officers:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Guy Pinsent	Nil	Nil	Nil <sup>(1)</sup>	Nil	Nil	Nil	Nil
David Johnson	Nil	Nil	Nil <sup>(2)</sup>	Nil	Nil	Nil	Nil

(1) On June 1, 2018, Mr. Pinsent was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

(2) On June 1, 2018, Mr. Johnson was granted 100,000 stock options, each option exercisable for five years at an exercise price of \$0.10.

The following table sets forth all of the share-based awards and option-based awards issued to the directors of the Company other than the Named Executive Officers from incorporation to May 31, 2018:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Guy Pinsent	Nil	n/a	n/a	Nil	Nil	Nil
David Johnson	Nil	n/a	n/a	Nil	Nil	Nil

The following table sets forth the value of all vested awards under incentive plans for each of the directors of the Company other than the Named Executive Officers from incorporation to May 31, 2018:

Name	Option-based awards – Value vested during the period (\$)	Share-based awards – Value vested during the period (\$)	Non-equity incentive plan compensation – Value earned during the period (\$)
Guy Pinsent	Nil	Nil	Nil
David Johnson	Nil	Nil	Nil

## AUDIT COMMITTEE

### General

As the Company is a “venture issuer” (as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the audit committee and with respect to audit committee reporting obligations. The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

The Audit Committee is comprised of Peter Smith, Guy Pinsent and David Johnson, all of whom are “financially literate” and two of whom are “independent”, as those terms are defined in NI 52-110. Peter Smith is not independent. The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member, and in particular the education or experience that provides each member with (i) an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, and (iv) an understanding of internal controls and procedures for financial reporting, is as follows:

Peter Smith	Mr. Smith obtained a Bachelor of Laws degree from the University of British Columbia in 1999, a Masters degree from Cambridge University in the United Kingdom in 1997, and a Bachelor of Arts degree from Simon Fraser University in 1995. He has acted as an officer and director of public issuers since 2004 and in such roles he has been responsible for the preparation, review and filing of annual and interim financial statements for such issuers.
Guy Pinsent	Mr. Pinsent obtained a Master of Arts degree from Cambridge University in 1998. He has acted as an officer and director of a public issuer from April 2014 to December 2015 (TSXV: LMS) and remains an officer and director of this now private company. In such roles he has been responsible for the preparation, review and filing of annual and interim financial statements for this issuer.
David Johnson	Mr. Johnson obtained a Bachelor of Arts form the University of Calgary in 1992. He has served as an education professional for over 20 years.

### Charter

The Audit Committee’s charter is as follows:

#### General

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the “**Board**”) in fulfilling its oversight responsibilities by reviewing the financial information to be provided to



the shareholders and others, the systems of internal controls and management information systems established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

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

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

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

#### Relationship with External Auditors

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

#### Composition of Audit Committee

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

#### Responsibilities

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

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

#### Authority

The Audit Committee shall have the authority to:

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

#### **Audit Fees**

During the period from incorporation to May 31, 2018, no fees have been billed to the Company by its auditors.

### **CORPORATE GOVERNANCE**

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company's board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

#### **Board of Directors**

Each of Guy Pinsent and David Johnson is an “independent” Director, according to the definition set out in NI 52-110. Each of Peter Smith and Charles Ackerman is not independent as he is currently an executive officer of the Company.

The independent Directors believe that their knowledge of the Company's business and their independence are sufficient to facilitate the functioning of the Board independently of management. To facilitate open and candid

discussion among the Board's independent Directors, the independent Directors have the discretion to meet in private in the absence of the other Directors whenever they believe it is appropriate to do so. To date, the independent Directors have not held a meeting at which non-independent Directors and members of management were not in attendance.

### **Other Directorships**

The directors of the Company are presently directors of other reporting issuers, as follows:

<u>Director</u>	<u>Other Issuers</u>
Guy Pinsent	Legion Metals Corp.
Charles Ackerman	None
Peter Smith	Legion Metals Corp.
David Johnson	None

### **Orientation and Continuing Education**

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

Given the Company's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. Any nominees are expected to be generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the CEO of the Company.

The Company's Articles include a provision requiring advance notice of the nomination of persons to act as directors of the Company. Under this provision, subject only to the *Business Corporations Act* (British Columbia), nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice of nomination and on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set out in the advance notice provision, including without limitation that such notice must be provided to the Company (A) in the case of an annual meeting of shareholders, not more than 65 days and not less than 30 days prior to the date of the annual meeting of shareholders (provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the "**Notice Date**"), notice by the Nominating Shareholder may be made not later than

the close of business on the 10th business day following the Notice Date); and (B) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th business day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

### **Compensation**

The Company does not have a Compensation Committee. Compensation matters for the Company's directors and officers are dealt with by the full Board. The Board meets to discuss and determine Director and management compensation without reference to formal objectives, criteria or analysis.

### **Other Board Committees**

The only Board committee of the Company is the Audit Committee.

### **Assessments**

The Board annually reviews its own performance and effectiveness. Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## **PLAN OF DISTRIBUTION**

### **The Offering**

Pursuant to the Agency Agreement dated ●, 2018, between the Company and the Agent, the Company has appointed the Agent to act as its exclusive agent to offer for sale, on a commercially reasonable efforts basis, a minimum of 2,000,000 Offered Shares for gross proceeds of \$200,000 and a maximum of 5,000,000 Offered Shares for gross proceeds of \$500,000. The price of the Offered Shares was determined by negotiation between the Company and the Agent.

The Agent, or registered sub-agents who assist the Agent in the distribution of the Offered Shares offered hereunder, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters, on behalf of the Company by Beadle Raven LLP, and on behalf of the Agent by Tingle Merrett LLP. Subscriptions for Offered Shares will be payable in cash to the Company against delivery of certificates representing the Offered Shares. Subscriptions for Offered Shares 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.

The obligations of the Agent under the Agency Agreement may be terminated by it at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events.

The directors, officers and other insiders of the Company may purchase Offered Shares pursuant to the Offering.

### **Minimum Subscription and Conditions of Closing**

Closing of the Offering is subject to conditions which are set out in the Agency Agreement. The principal conditions are the following:

- A minimum of 2,000,000 Offered Shares for gross proceeds of \$200,000 must be sold under the Offering; and

- The Exchange must approve the Company's common shares for listing. Listing of the common shares will be subject to the Company fulfilling all of the listing requirements and conditions of the Exchange. The listing conditions of the Exchange include, among other things, that at least 20% of the issued and outstanding common shares be held by members of the public following the Offering. The Company expects that this requirement will be met if the Offering is completed.

All subscription proceeds will be paid to the Agent in trust, and held by the Agent in trust, pending completion of the Offering and fulfillment of the other conditions set out in the Agency Agreement. The Agent will release those funds to the Company on closing of the Offering. If a minimum of 2,000,000 Offered Shares for gross proceeds of \$200,000 are not subscribed for, the Agent must return all funds received to the subscribers without any deductions.

Completion of the Offering is subject to the sale of the Offered Shares on or before 90 days after the issuance of the final receipt for the final prospectus respecting the Offering, unless an amendment to the final prospectus is filed and a receipt for the amendment is issued, in which case the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the amendment, and in any event no later than 180 days from the date of the receipt for the final prospectus. All funds received from subscriptions will be held by the Agent. If the Offering is not subscribed for in such period, the funds will be returned to the subscribers.

### **Agent's Compensation**

In consideration for its services in connection with the Offering, the Company has agreed to pay to the Agent the Commission of 8% of the gross proceeds of the Offering and a corporate finance fee of \$15,000 (plus GST). The Company has pre-paid \$7,500 (plus GST) of the corporate finance fee as of the date of this Prospectus. The Company has also agreed to reimburse the Agent for its expenses and legal fees and disbursements incurred in connection with the Offering and the Company has paid to the Agent an advance of \$15,000 (plus GST) for these expenses, fees and disbursements. The Company has agreed to grant to the Agent the Agent's Warrant to purchase that number of common shares of the Company (the "**Agent's Warrant Shares**") which is equal to 8% of the number of Offered Shares sold pursuant to the Offering, at a price of \$0.10 per Agent's Warrant Share for a period of two years following listing of the Offered Shares on the Exchange. This Prospectus qualifies the issuance of the Agent's Warrant.

Any Agent's Warrant Shares acquired by the Agent pursuant to the exercise of the Agent's Warrant may be resold by the Agent without further qualification through the facilities of the Exchange at the market price at the time of the sale. The Company will not receive any of the proceeds from the sale of any such securities by the Agent.

### **Listing Application**

The Company intends to apply to list the securities distributed under this Prospectus on the Canadian Securities Exchange. Listing will be subject to the Company fulfilling all of the requirements of the Exchange, which include distribution of the Offered Shares to a minimum number of public shareholders.

As at the date of this Prospectus, the Company is an "IPO Venture Issuer" (defined under National Instrument 41-101 – *General Prospectus Requirements* as an issuer that: (a) files a long form prospectus; (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and (c) at the date of the long form prospectus, 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 (i) the Toronto Stock Exchange, (ii) a U.S. marketplace, or (iii) 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**

An investment in the Offered Shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of exploration and development of its assets and technologies. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risk factors along with the other matters set out or incorporated by reference in this Prospectus.

## **Limited Operating History**

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. An investor should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

## **Uncertain Liquidity and Capital Resources**

For the period from incorporation to May 31, 2018, the Company had an operating loss of \$134,447. At May 31, 2018, the Company had working capital of \$143,943. The Company may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, even upon completion of the Offering, the Company may not have sufficient funds to complete the development of Movie Method and will need to raise additional capital. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's common shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

## **Uncertainty of Use of Proceeds**

Although the Company has set out in this Prospectus its intended use of proceeds from the Offering, these are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds.

## **Uninsurable Risks**

The development of on-line and download technologies and services, including the Company's initial focus on Movie Method, is subject to certain risks, including those described in this Prospectus. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on the Company's business and operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company currently does not carry any insurance.

## **Competition**

The development of on-line and download technologies and services is highly competitive and has relatively low barriers to entry. The level of competition has increased in recent years, and larger providers have established a significant market share. Some of the Company's competitors are large technology companies that have significantly greater financial, technical, marketing and other resources; may be able to devote greater resources to the development, promotion, sale and support of their products and services; may have more extensive customer bases and broader customer relationships; and, may have longer operating histories and more brand recognition. In some cases, these companies may choose to offer their technology at lower prices or rates in response to new competitors entering the market. There are also a number of smaller technology developers that provide a range of products and services. The Company's competitors may develop or offer products or services that have price or other advantages over the products or services the Company provides or may provide in the future. In competing with such companies, the Company may be unable to establish demand for its technology, products and services which could adversely affect the establishment of its operations and ability to generate revenues.

## **Security and Fraud**

The Company's operations may involve the storage and transmission of customer or user data, including personally identifiable information, and security incidents could result in unauthorized access to, the loss of, or unauthorized disclosure of such information. Although the Company has what it deems to be sufficient security around its system to prevent unauthorized access, it must ensure that it continually enhances security and fraud protection, and if the Company is unable to do so, it may become subject to liability for privacy breaches or consequences that result from any unanticipated incident. As a result of advances in computer capabilities, new discoveries in the field of cryptography or other developments, a compromise or breach of the Company's security precautions may occur. The techniques used to obtain unauthorized, improper or illegal access to the Company's systems, its data or its

customers' or users' data and to sabotage its system are constantly evolving and may be difficult to detect quickly. An information breach in the Company's system and loss of confidential information such as credit card numbers and related information, or interruption in the operation of its apps, could have a longer and more significant impact on its business operations than a hardware failure. A compromise in its security system could severely harm its business by the loss of its customers' or users' confidence in the Company and thus the loss of their business. The Company may be required to spend significant funds and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. However, protection may not be available at a reasonable price, or at all. Any failure to adequately comply with necessary protective measures could result in fees, penalties and/or litigation. Concerns regarding technology security and the privacy of users may also inhibit the growth of the Internet and business relying on the Internet, including the Company's business. This may result in a reduction in revenues and increase the Company's operating expenses, which would prevent it from achieving profitability.

### **Requirement to Attract and Retain Users**

The Company's success will depend on its ability to attract users to its technology and services, and in particular, initially, Movie Method. No assurance can be given that the Company will be able to procure a sufficient number of users to Movie Method to reach profitability or continue offering Movie Method.

### **Use of Intellectual Property of Third Parties**

The Company plans to use various media clips, from various sources, as a feature element of its first app, Movie Method. The Company will strive to use a combination of: media clips with no copyright owner or copyright protection; media clips which are copyrighted but for which it can reasonably rely on an established fair use exemption; and/or media clips contributed directly by users, which clips are owned by the users, have no copyright protections or qualify for a fair use exemption. Failing the foregoing, and perhaps in any event, the Company also plans to obtain use agreements from certain copyright owners if such use agreements are reasonably required and the related media clips are anticipated to be highly effective. However, copyright protection law is constantly changing, and may apply differently in different countries and regions. Moreover, the Company may be mistaken about the copyright status of one or more of the media clips reproduced on Movie Method, the proper application of fair use exemptions that may apply to certain media clips, or how such exemptions might apply differently in different legal jurisdictions. There is no guarantee the Company will not at some point, unwittingly, be in violation of one or more of the many various copyright laws that may apply to the media clips used in Movie Method. Any legal actions against the Company by copyright owners, or others with standing, may have a material impact on the operation and profitability of the first app, Movie Method, which would in turn have a material adverse effect on the Company.

### **Risks Related to Potential Inability to Protect Intellectual Property**

The Company's success is heavily dependent upon its intellectual property and technology. The Company relies and intends to rely upon copyrights, trade secrets, unpatented proprietary know-how and continuing technology innovation to protect the technology that it considers important to the development of its business. The Company relies and will rely on various methods to protect its proprietary rights, including confidentiality agreements with its consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of its confidential information. However, despite efforts to protect the Company's intellectual property rights, unauthorized parties may attempt to copy or replicate its technology. There can be no assurance that the steps taken by the Company to protect its technology will be adequate to prevent misappropriation or independent third-party development of its technology. It is likely that other companies can duplicate a platform similar to the Company's. To the extent that any of the above could occur, the Company's revenue could be negatively affected, and in the future, it may have to litigate to enforce its intellectual property rights, which could result in substantial costs and divert management's attention and the Company's resources.

The Company's proprietary intellectual property is not currently protected by any patent or patent application or other form of registered intellectual property protection. The Company has generally sought to protect such proprietary intellectual property by confidentiality and other agreements described in this prospectus. The Company cannot guarantee that these agreements adequately protect its trade secrets and other intellectual property or proprietary rights. In addition, the Company cannot guarantee that these agreements will not be breached, that the Company will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships. Furthermore, the steps the Company has taken and may take in the future may not prevent misappropriation of its intellectual property, particularly in respect of officers and employees who are no longer employed by the Company or in foreign countries where laws or law enforcement practices may not fully protect the Company's proprietary rights.

Further, the patent position of technology is often uncertain and involves complex legal and factual questions. The Company does not know whether future patent applications, if any, will result in the issuance of a patent. Even if patents are issued, they may be challenged, invalidated or circumvented. Any such patents may not provide a competitive advantage or afford protection against competitors with similar technology. Competitors or potential competitors may have filed applications for, or may have received patents and may obtain additional and proprietary rights to, technologies used by or competitive with the Company's. If challenged, any patents that may be issued to the Company in the future may not be held valid. The Company also may become involved in interference proceedings in connection with one or more of its current or future patent applications to determine priority of invention.

### **Risks Related to Potential Intellectual Property Claims**

Companies in the Internet, technology and mobile app industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. The Company may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Company from offering its products and services to others and may require that it procure substitute products or services for these members.

With respect to any intellectual property rights claim, the Company may have to pay damages or stop using technology found to be in violation of a third party's rights. The Company may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase its operating expenses. The technology also may not be available for license to the Company at all. As a result, the Company may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If the Company cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively. Any of these results could harm the Company's brand and prevent it from generating sufficient revenue or achieving profitability.

### **Potential Inability to Adapt or Expand Existing Technology Infrastructure to Accommodate Greater Traffic**

It is anticipated that Movie Method will eventually attract a large number of users and customers. The Company's technology infrastructure is complex and may not provide satisfactory service in the future, especially as the number of customers using its apps increases. The Company may be required to upgrade its technology infrastructure to keep up with the increasing traffic on its apps, such as increasing the capacity of its hardware servers and the sophistication of its software. If the Company fails to adapt its technology infrastructure to accommodate greater traffic or customer requirements, its users and customers may become dissatisfied with its services and switch to competitors' apps, which will prevent the Company from achieving profitability.

### **Reliance on Development and Maintenance of the Internet Infrastructure**

The success of the Company's products and services will depend largely on the development and maintenance of the Internet infrastructure. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security, as well as timely development of complementary products, for providing reliable Internet access and services. The Internet has experienced, and is likely to continue to experience, significant growth in the numbers of users and amount of traffic. The Internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements, or problems caused by "viruses," "worms," and similar programs may harm the performance of the Internet. The backbone computers of the Internet have been the targets of such programs. The Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage generally as well as the level of usage of the Company's services and reduce its revenues.

### **Risks Related to Potential Interruption or Failure of the Company's Information Technology and Communications Systems**

The Company's ability to provide its products and services depends on the continuing operation of its information technology and communications systems. Any damage to or failure of the Company's systems could interrupt its service. Service interruptions could reduce the Company's revenues and profits, and damage its brand if its system is



perceived to be unreliable. The Company's systems are vulnerable to damage or interruption as a result of terrorist attacks, war, earthquakes, floods, fires, power loss, telecommunications failures, computer viruses, interruptions in access to its Platform through the use of "denial of service" or similar attacks, hacking or other attempts to harm its systems, and similar events. Some of the Company's systems are not fully redundant, and its disaster recovery planning does not account for all possible scenarios. The occurrence of a natural disaster or a closure of an Internet data center by a third-party provider without adequate notice could result in lengthy service interruptions. Interruption or failure of the Company's information technology and communications systems could impair its ability to effectively provide its products and services, which could damage its reputation and harm its operating results.

### **Risks Related to Potential Undetected Errors in the Company's Software**

The Company's software apps and products could contain undetected errors or "bugs" that could adversely affect their performance. The Company regularly updates and enhances its apps and its other online systems and will introduce new versions of its software products and apps. The occurrence of errors in any of these may cause the Company to lose market share, damage its reputation and brand name, and reduce its revenues.

### **Requirement to Generate Cash Flow for Financial Obligations**

The Company's ability to generate sufficient cash flow from operations to make scheduled payments to its contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of its control. If the Company does not generate sufficient cash flow from operations to satisfy its contractual obligations, it may have to undertake alternative financing plans. The Company's inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on its business, financial condition and results or operations, as well as its ability to satisfy its contractual obligations. Any failure to meet its financial obligations could result in termination of key contracts, which could harm the Company's ability to provide its products and services.

### **Laws and Regulations Relating to using the Internet for Commerce**

The future success of the Company's business depends upon the continued use of the Internet as a primary medium for commerce, communication and business services. Domestic or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Changes in these laws or regulations could require the Company to modify its services in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications generally, or result in reductions in the demand for Internet-based services.

In addition, the use of the Internet could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the Internet and its acceptance as a business tool have been adversely affected by viruses, worms, and similar malicious programs, and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for the Company's services could suffer.

### **Effectiveness and Efficiency of Advertising and Promotional Expenditures**

The Company's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability 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 technologies 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.

### **Maintaining and Promoting the Company's Brand**

The Company believes that maintaining and promoting its brand is critical to expanding its customer base. Maintaining and promoting its brand will depend largely on the Company's ability to continue to provide useful,

reliable and innovative services, which it may not do successfully. The Company may introduce new features, products, services or terms of service that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Company's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Company fails to successfully promote and maintain its brand or if it incurs excessive expenses in this effort, its business and operating results could be adversely affected.

### **Changing Consumer Preferences**

As a result of changing consumer preferences, many Internet websites and apps are successfully marketed for a limited period of time. Even if the Company's products become popular, there can be no assurance that any of its products will continue to be popular for a period of time. If demand for its services decreases, the Company's profitability would be negatively impacted. The Company's success will be dependent upon its ability to develop new and improved product lines. Even if the Company is successful in introducing new mobile apps or developing Movie Method, a failure to continue to update them with compelling content, or a subsequent shift in the payment preferences of consumers or merchants, could cause a decline in its products' popularity that could reduce its revenues and harm its business, operating results and financial condition. The Company's failure to introduce new features and product lines and to achieve and sustain market acceptance could result in it being unable to continually meet consumer preferences and generate significant revenues. Any decrease in the demand for the Company's products and services could have a material adverse effect on its profitability and operations.

### **Response to Technological Developments**

The Company's future success will depend in part on its ability to modify or enhance its products to meet consumer needs, add functionality and address technological developments. Technological advances in the handheld device industry may lead to changes in the Company's users' requirements, and to remain competitive, the Company will need to continuously develop new or upgraded products that address these evolving technologies. Mobile devices are continually evolving, and the Company may lose customers if it is not able to continue to meet its customers' mobile and multi-screen experience expectations. The variety of technical and other configurations across different mobile platforms increases the challenges associated with evolving technology. If the Company is unsuccessful in identifying new product opportunities, or in developing or marketing new products in a timely or cost-effective manner, or if its product developments do not achieve the necessary market penetration or price levels to be profitable, its business and operating results could be adversely affected.

### **Compliance with Applicable Laws and Regulations**

The Company and its customers are or may be subject to numerous regulations that affect the technology industry. Regulation and proposed regulation of the technology industry has increased significantly in recent years, and failure to comply with such rules and regulations may have a negative adverse effect on the Company's business and operations. The Company is or may be subject to regulations related to privacy, data use and security in the jurisdictions in which it does business, and consumer protection laws, among others. For example, in Canada, the Company is subject to the *Canadian Personal Information Protections and Electronic Documents Act* and in British Columbia, the Company is subject to the Canadian federal *Personal Information Protection Act* ("PIPA"). PIPA describes how all private sector organizations must handle the personal information of the public (the Company's users). Under PIPA, businesses are made accountable for the personal information under their control. Businesses must, among other things, limit the collection of personal information to that which is necessary for their purposes, protect the privacy of any personal information under their control, designate a privacy officer for the company, establish procedures to handle privacy complaints or inquiries, obtain consent from an individual before the business collects, use or disclose his or her personal information, and only use or disclose personal information for reasonable purposes that are appropriate in the circumstances and for the purpose according to which the personal information was collected.

In recent years, there has been heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. Regulation of privacy, data use and security may materially increase the Company's costs and its customers' costs and may decrease the number of customers that use its product(s), which could materially and adversely affect its profitability. The Company's failure, or the failure of its customers, to comply with the privacy, data use and security laws and regulations, and any other regulations to which the Company is or becomes subject to, could result in fines, sanctions and damage to its reputation and its brand.

### **Reliance on Third-Party Processors and Service Providers**

The Company currently relies on contractors to continue upgrading and developing its technology, and it does not have long-term contracts with them. The termination by its service providers of their arrangements with the Company, or their failure to perform their services efficiently and effectively, may adversely affect its ability to deliver a superior product, which in turn may adversely affect its relationship with its customers.

## **Management**

The Company's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the Company. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Company does not have key man insurance in place in respect of any of its directors or officers.

## **Offering Risks**

There is no current public market for the Company's common shares. If an active public market for the Company's common shares does not develop, the trading price of the common shares may decline below the offering price of the Offered Shares.

There is no market through which the Offered Shares may be sold and purchasers may not be able to resell Offered Shares purchased under this Prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares, and the extent of issuer regulation.

The market price of publicly traded shares is affected by many variables not directly related to the success of the Company. These variables include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, changes in commodity prices, currency exchange fluctuation and the extent of analytical coverage available to investors concerning the business of the Company.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those in the development stage, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's common shares.

The Company has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Company's shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Offered Shares, who, on completion of the Offering, will incur immediate and substantial dilution in the net tangible book value per Share of \$0.084 or 84% of the Offering Price assuming completion of the minimum Offering, and \$0.074 or 74% of the Offering Price assuming completion of the maximum Offering, and assuming no exercise of the Agent's Warrant or any incentive stock options that are or may be granted. If the Company issues common shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

## **Tax Issues**

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

## **Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the technology industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. In particular, the CEO and CFO of the Company will only be devoting 50% and 25% of their time, respectively, to the business and affairs of the Company. Situations may arise in connection with

potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### **Control of Insiders**

Four shareholders collectively hold 100% of the Company's issued and outstanding shares, and even if the maximum Offering is completed, these shareholders will collectively hold approximately 78.48% of the Company's issued and outstanding shares following completion of the Offering. As a result, these shareholders, if acting together, would be able to influence or control matters requiring approval by the Company's shareholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. These shareholders may have interests that differ from those of the other shareholders and may vote in a way that other shareholders disagree with and which may be adverse to their interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of the Company, could deprive the Company's shareholders of an opportunity to receive a premium for their shares as part of a sale of the Company and might affect the market price of the shares.

### **Global Economy Risk**

An economic slowdown or downturn of global capital markets may make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future while establishing its user base. As such, the Company is subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to it and its management. If uncertain market conditions persist, the ability to raise capital could be jeopardized and thus have an adverse impact on operations and on the trading price of the Company's common shares on the Exchange.

### **Dividends**

The Company has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

### **Estimates and Assumptions**

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

### **Costs and Compliance Risks**

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Company anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Company, nor the assets of the Company is, or has been, the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory, and no such legal proceedings, penalties or sanctions are known by the Company to be contemplated.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no director, executive officer of the Company, or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding common shares of the Company, or any of their respective associates or affiliates, had any material direct or indirect interest in any transaction within the three years preceding the date of this Prospectus which has materially affected or would materially affect the Company.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Smythe LLP, Chartered Professional Accountants, #700 – 355 Burrard Street, Vancouver, British Columbia V6C 2G8.

The registrar and transfer agent for the Company's common shares is AST Trust Company (Canada), at Suite 1600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company and AST Trust Company (Canada) have entered into an agreement (the "**Registrar and Transfer Agreement**") governing their respective rights and duties pertaining to this relationship.

## MATERIAL CONTRACTS

The only material contracts entered into by the Company within the period from incorporation until the date of this Prospectus, other than contracts entered into in the ordinary course of business, are as follows:

1. The App Acquisition Agreement. See "General Development of the Business".
2. The Contractor Agreement. See "General Development of the Business".
3. The Consulting Services Agreement. See "General Development of the Business".
4. The Escrow Agreement. See "Escrowed Securities".
5. The Agency Agreement. See "Plan of Distribution".
6. The Registrar and Transfer Agency Agreement. See "Auditors, Transfer Agent and Registrar".

Copies of the above material contracts will be available for inspection at the registered and records office of the Company, at Beadle Raven LLP, #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, during regular business hours during the distribution of the Offered Shares and for a period of 30 days thereafter.

## EXPERTS

Certain legal matters related to this Offering will be passed upon on behalf of the Company by Beadle Raven LLP and Fasken Martineau DuMoulin LLP (as special tax counsel), and on behalf of the Agent by Tingle Merrett LLP.

None of Beadle Raven LLP, Fasken Martineau DuMoulin LLP, Tingle Merrett LLP, or any director, officer, employee or partner thereof, as applicable, received or has received a direct or indirect interest in the Company's property or the property of any associate or affiliate of the Company. As at the date hereof the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships, do not beneficially own, directly or indirectly, any securities of the Company.

None of the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company's auditors, Smythe LLP, Chartered Professional Accountants, have confirmed that they are independent from the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

#### **OTHER MATERIAL FACTS**

There are no material facts relating to the Company or the Offering other than as disclosed herein.

#### **STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION**

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

#### **FINANCIAL STATEMENTS**

Attached to and forming a part of this Prospectus is the statement of financial position of the Company as at May 31, 2018, and the statement of loss and comprehensive loss and cash flows and changes in shareholders' equity for the period from incorporation on June 26, 2017, to May 31, 2018, and notes thereto.

**RADIAL RESEARCH CORP.**

**Financial Statements**

**May 31, 2018**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

### TO THE DIRECTORS OF RADIAL RESEARCH CORP.

We have audited the accompanying financial statements of Radial Research Corp. which comprise the statement of financial position as at May 31, 2018, and the statements of comprehensive loss, changes in equity and cash flows for the period from incorporation on June 26, 2017 to May 31, 2018, 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 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 Radial Research Corp. as at May 31, 2018, and its financial performance and its cash flows for the period from incorporation on June 26, 2017 to May 31, 2018 in accordance with International Financial Reporting Standards.

#### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Chartered Professional Accountants

Vancouver, British Columbia  
July •, 2018



**RADIAL RESEARCH CORP.**  
**Statement of Financial Position**  
**May 31, 2018**  
**(Expressed in Canadian Dollars)**

	<b>2018</b>
<b>Assets</b>	
<b>Current</b>	
Cash	\$ 164,803
Prepays	22,875
Accounts receivable	750
	188,428
Intangible asset (Note 7)	216,000
	\$ 404,428
<b>Liabilities and Shareholders' Equity</b>	
<b>Liabilities</b>	
<b>Current</b>	
Accounts payable and accrued liabilities	\$ 44,485
<b>Shareholders' Equity</b>	
Common Shares (Note 4)	494,390
Deficit	(134,447)
	359,943
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 404,428</b>

Approved by on behalf of the Board:

*Peter Smith (signed)*  
Peter Smith, Director

*Guy Pinsent (signed)*  
Guy Pinsent, Director

The accompanying notes are an integral part of these financial statements.

**RADIAL RESEARCH CORP.**  
**Statement of Comprehensive Loss**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

	<b>2018</b>
<b>Operating Expenses</b>	
General and administrative	\$ 1,290
Research and development	101,856
Professional fees	10,000
Foreign exchange gain	(2,699)
Amortization (Note 7)	24,000
	134,447
<b>Net Loss and Comprehensive Loss for Period</b>	<b>\$ 134,447</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ 0.02</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>8,521,669</b>

The accompanying notes are an integral part of these financial statements.

**RADIAL RESEARCH CORP.**  
**Statement of Changes in Equity**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

	Number of Outstanding Shares	Common Shares	Deficit	Total Shareholders' Equity
		\$	\$	\$
<b>Balance, June 26, 2017 (incorporation)</b>	1	1	-	1
Common share cancelled	(1)	(1)	-	(1)
Common shares issued for cash (Note 4)	6,232,564	254,390	-	254,390
Common shares issued for intangible asset (Notes 4 and 7)	12,000,000	240,000	-	240,000
Net loss for the period	-	-	(134,447)	(134,447)
<b>Balance, May 31, 2018</b>	<b>18,232,564</b>	<b>494,390</b>	<b>(134,447)</b>	<b>359,943</b>

The accompanying notes are an integral part of these financial statements.

**RADIAL RESEARCH CORP.**  
**Statement of Cash Flows**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

	<b>2018</b>
<b>Cash Provided by (Used in)</b>	
<b>Operating Activities</b>	
Net loss	\$ (134,447)
Item not affecting cash:	
Amortization	24,000
Changes in no-cash working capital items:	
Prepays	(22,875)
Accounts receivable	(750)
Accounts payable and accrued liabilities	44,485
	(89,587)
<b>Financing Activity</b>	
Proceeds from the issuance of common shares	254,390
	254,390
<b>Inflow of Cash</b>	<b>164,803</b>
<b>Cash, Beginning of Period</b>	<b>-</b>
<b>Cash, End of Period</b>	<b>\$ 164,803</b>
Supplemental disclosure of non-cash transactions	
Common shares issued for intangible asset	\$ 240,000
Amounts paid for interest	\$ Nil
Amounts paid for taxes	\$ Nil

There were no cash investing activities during the 339-day period ended May 31, 2018.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Radial Research Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on June 26, 2017. The Company is in the process of completing an Initial Public Offering (“IPO”) on the Canadian Securities Exchange (“CSE”) (Note 10). The Company’s business is developing a language learning technology application for smartphones.

The Company’s registered and records office is 1090 West Georgia Street, Suite 600, Vancouver, British Columbia, V6E 3V7. The Company’s principal place of business is 4070 Lockehaven Drive, Victoria, British Columbia, V8N 4J5.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company is in the development stage and has not generated any revenues. The Company’s continuing operations as intended are dependent upon the Company’s ability obtain necessary financing to commercialize its technology. Should the Company fail to commercialize its technology, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on July 6, 2018.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES**

(a) Cash

Cash is comprised of cash held in bank and cash held in trust.

(b) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss. The Company classifies cash as fair value through profit and loss.

*Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

There are no financial assets classified as measured as amortized cost.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(a) Financial instruments (Continued)

(ii) Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities included accounts payable and accrued liabilities.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The carrying value of cash approximates its fair value due to the short-term maturity of these instruments.

(b) Common shares

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 or financial asset. The Company's common shares are classified as equity instruments.

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

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(d) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(e) Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Deferred development costs are amortized over the life of related commercial production, or in the case of serviceable property and equipment, are included in the appropriate property group and are



**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) Research and development (Continued)

depreciated over its estimated useful life. As at May 31, 2018, the Company has not capitalized any research and development costs.

(f) Intangible assets

Recognition and measurement

Intangible assets include technology acquired by the Company and have finite useful lives and measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the statement of comprehensive loss as incurred.

Amortization

Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful lives as follows:

Intellectual Property	5 years
-----------------------	---------

(g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(h) Use of estimates and judgments (Continued)

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical Judgments

*Intangible assets*

The application of the Company's accounting policy for intangible assets expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

*Research and development expenditures*

Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any product development costs as at May 31, 2018.

*Going concern*

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (h) Use of estimates and judgments

Significant estimates and assumptions

*Expected useful life of intangible asset*

Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. Management estimates that intangible assets acquired will have a useful life of 5 years. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

- (i) Foreign currency translation

The functional and presentation currency of the Company is the Canadian dollar. Transactions denominated in a currency other than an entity's functional currency are translated as follows: unsettled monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the date of the statement of financial position and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in profit or loss.

**4. COMMON SHARES**

- (a) Authorized

Unlimited number of common shares without par value.

- (b) Issued and outstanding

As of May 31, 2018, the total issued and outstanding share capital consists of 18,232,564 common shares.

On December 29, 2017, the Company issued 4,324,636 common shares of the Company at \$0.05 per common share for total proceeds of \$216,232.

On December 22, 2017, the Company issued 12,000,000 common shares of the Company at \$0.02 per common share for total fair value of \$240,000 to acquire assets related to intangible assets (Note 7).

On December 21, 2017, the Company issued 1,907,928 common shares of the Company at \$0.02 per common share for total proceeds of \$38,158.

On June 26, 2017, the Company issued 1 incorporation common share for \$0.01 and subsequently cancelled the common share on December 21, 2017.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**5. RISK MANAGEMENT**

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is held in trust.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at May 31, 2018, the Company has sufficient funds to meet its obligations of \$44,485. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

**6. CAPITAL MANAGEMENT**

The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to further develop its language learning technology.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

**7. INTANGIBLE ASSET**

	\$
<b>COST</b>	
Balance, June 26, 2017 (incorporation)	-
Additions	240,000
Balance, May 31, 2018	240,000
 <b>AMORTIZATION</b>	
Balance, June 26, 2017 (incorporation)	-
Charge for the period	24,000
Balance, May 31, 2018	24,000
 <b>NET BOOK VALUE</b>	
Balance, June 26, 2017 (incorporation)	-
Balance, May 31, 2018	216,000

The intangible asset consists of intellectual property for the language learning technology application acquired from a third party (Note 4).

**8. INCOME TAXES**

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2018</b>
Net loss for the year	<b>\$ (134,447)</b>
Statutory rates	<b>26.00%</b>
Income tax recovery at statutory rate	<b>(34,956)</b>
Effect of change in tax rates	<b>(1,344)</b>
Benefit of tax losses not recognized	<b>36,300</b>
Income tax expense	<b>\$ -</b>

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company's unused tax losses for which no deferred tax asset is recognized is \$110,400.

The Company has non-capital losses for Canadian tax purposes of approximately \$110,400 available for carry-forward to reduce future years' taxable income and will expire in 2038.

**9. SEGMENTED INFORMATION**

The Company's business consists of one reportable segment and all of the Company's assets are located in Canada. The Company is currently developing a language learning technology application for smartphones.

**RADIAL RESEARCH CORP.**  
**Notes to the Financial Statements**  
**339-Day Period Ended May 31, 2018**  
**(Expressed in Canadian Dollars)**

---

**10. SUBSEQUENT EVENTS**

Subsequent to May 31, 2018, the Company:

(a) Intends to file a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the CSE, offering a minimum of 2,000,000 common shares and a maximum of 5,000,000 common shares at \$0.10 per share as an initial public offering (the "Offering") to raise gross proceeds of a minimum of \$200,000 and a maximum of \$500,000. Pursuant to an Agency Agreement between the Company and Chippingham Financial Group (the "Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds, be paid a corporate finance fee of \$15,000, and will be granted non-transferable agent options to purchase up to 400,000 common shares at a price of \$0.10 per common share, exercisable for a period of 24 months from the date the common shares commence trading on the CSE.

(b) Effective June 1, 2018, implemented its Incentive Stock Option Plan (the "Plan"). Pursuant to its Plan, the Company grants stock options to directors, officers, employees and consultants for services. The exercise price of options granted under the Plan will be determined by the Board of Directors but will not be less than the greater of the closing market price of the Company's common shares on the CSE on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the stock options.

Options have a maximum expiry period of five years from the grant date. The number of options that may be issued under the Plan is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The vesting terms are at the discretion of the Company's Board of Directors.

(c) Granted 500,000 stock options to directors and officers; each option is exercisable at \$0.10 per common shares for five years from the date of issuance.

## CERTIFICATE OF THE COMPANY

July 17, 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 British Columbia, Alberta and Ontario.

(Signed) Peter Smith  
Chief Executive Officer

(Signed) Charles Ackerman  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Guy Pinsent  
Director

(Signed) David Johnson  
Director

## CERTIFICATE OF THE PROMOTER

July 17, 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 British Columbia, Alberta and Ontario.

(Signed) Peter Smith  
Peter Smith

## **CERTIFICATE OF THE AGENT**

July 17, 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 British Columbia, Alberta and Ontario.

Chippingham Financial Group

Per: (Signed) *Don Metcalfe*  
Chief Operations Officer