

KONA CAPITAL LTD.

START-UP BUSINESS OFFERING DOCUMENT

Item 1: RISKS OF INVESTING

- 1.1 **No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.**

Item 2: THE ISSUER

2.1 Issuer information:

Kona Capital Ltd.
2300 - 555 Burrard Street
Vancouver, British Columbia, V6C 2B5
Telephone: 250-857-5659

2.2 Contact person information who is able to answer questions from investors and any security regulatory authority or regulator:

Barclay Winton Toshikata Matsumura
Director
2300-550 Burrard Street
Vancouver, BC, V6C 2B5
Telephone: 250-857-5659
Email: toshmatsumura@gmail.com

Item 3: BUSINESS OVERVIEW

3.1 Business description:

Kona Capital is a blind pool company. Its purpose is to search out and evaluate material transactions for potential purchase or amalgamation.

The purpose of the offering is for general working capital and to increase investor distribution in order to satisfy certain public market requirements on various Canadian recognized public exchanges. **A more detailed description of the issuer's business is provided below.**

Item 4: MANAGEMENT

4.1 Information about each promoter, director, officer and control person of the issuer:

Full legal name, municipality of residence, and position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer's business	Number and type of securities of the issuer owned	Date securities were acquired and price paid for the securities	Percentage of the issuer's securities held as of the date of this offering document
Connor Cruise, North Vancouver BC	Consultant Financier Vice President of Intrysyc Capital, a licensed Exempt Market Dealer based in Vancouver, BC President of Cruise Capital, a financial consulting firm based in Vancouver BC	Bachelor of Business, Bond University 2018 CFA Level 3 Candidate	1,500,000	May 9 th 2018 \$0.05 per share	34.09%
Tosh Matsumura, Victoria BC	Commercial Real Estate SinSon Investments	Strategic Investor	500,000	May 9 th 2018 \$0.05 per share	11.36%

4.2 Has any person listed in item 4.1 or the issuer, as the case may be:

- (a) ever, pled guilty to or been found guilty of:
 - (i) a summary conviction or indictable offence under the *Criminal Code* (R.S.C., 1985, c. C-46) of Canada,
No
 - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
No

- (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or
No
- (iv) an offence under the criminal legislation of any other foreign jurisdiction,
No
- (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity,
No
- (c) is or has been the subject of a bankruptcy or insolvency proceeding,
No
- (d) is a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.
No

Item 5: START-UP BUSINESS DISTRIBUTION

5.1 Name of any dealer the issuer is using to conduct its start-up business distribution:

N/A

5.2 List the name of all the jurisdictions where the issuer intends to raise funds:

Alberta

5.3 Information with respect to the start-up business distribution:

- (a) The minimum offering amount that must be raised is \$15,000;
- (b) The date by which the minimum offering amount must be raised is November 27, 2018;

5.4 The type of eligible securities offered:

Subscription Receipt

5.5 The eligible securities offered provide the following rights:

Conversion rights. Each subscription receipt converts into voting common shares with dividend and dissolution rights.

5.6 Summary of other material restrictions or conditions that attach to the eligible securities being offered:

N/A

5.7 Offering Amount and price per security:

	Total amount (\$)	Total number of eligible securities issuable
Minimum offering amount	\$15,000	100,000
Maximum offering amount	\$40,000	266,666
Price per eligible security	\$0.15	

5.8 Minimum investment amount per investor:

\$300

The minimum offering amount stated in this offering document may be satisfied with funds that are unconditionally available to Kona Capital Ltd. that are raised by concurrent distributions using other prospectus exemptions without having to amend this offering document.

Item 6: ISSUER'S BUSINESS

6.1 Business description:

Kona Capital is a blind-pool. The company's focus is to search out and evaluate potential transactions that management believes provide shareholder value by way of outright purchase or amalgamation.

6.2 Legal structure of the issuer and the jurisdiction where the issuer is incorporated or organized:

British Columbia Corporation

6.3 The issuer's articles of incorporation, limited partnership agreement, shareholder agreement or similar documents are available to investors at:

Available upon request

6.4 Best description of the issuer's operations:

Has never conducted operations.

6.5 Description of the number and type of securities of the issuer outstanding as at the date of this offering document. Description of any securities that are outstanding other than the eligible securities being offered:

Number of outstanding securities	Type of outstanding securities
4,400,000	Common Shares

6.6 Description of financial statements being provided to investors:

(a) **The financial statements**

No financial statements are being provided to investors.

Item 7: USE OF FUNDS

Prior Funds

7.1 Information on all funds previously raised by issuer (including from its promoters, founders, directors, officers and control persons) and how they were used by the issuer:

Kona has previously raised approximately \$340,000 by relying on the following prospectus exemptions: (i) Section 2.3 of National Instrument 45-106 – Prospectus Exemptions (“**NI 45-106**”) - Accredited Investor; (ii) Section 2.4 of NI 45-106 - Private Issuer; and (iii) Section 2.5 of NI 45-106 - Family, friends and business associates. The proceeds from the previous raise were used for working capital to search out and evaluate potential material transactions.

Funds from this Start-up Business Distribution

7.2 Breakdown of how the issuer will use the funds from this start-up business distribution:

Description of intended use of funds listed in order or priority	Total amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
General working capital to fund the search and evaluation of material transactions	\$15,000	\$40,000

Item 8: PREVIOUS START-UP BUSINESS DISTRIBUTIONS

8.1 Start-up business distributions conducted by issuer or any member of the issuer group:

Neither the issuer nor any member of the issuer group has conducted a start-up business distributions in the past five years. The issuer may conduct other offerings concurrently by relying on certain applicable prospectus exemptions.

8.2 Start-up business distributions conducted by promoters, founders, directors, officers or control persons of issuer:

None of the promoters, founders, directors, officers or control persons of the issuer have been a promoter, founder, director, officer or control person of an issuer that has conducted a start-up business distribution in the past five years.

Item 9: COMPENSATION PAID TO DEALER

9.1 Description of the commission, fee and any other amounts expected to be paid by the issuer to any dealer for this start-up business distribution:

No commission, fee or any other amount is expected to be paid by the issuer to any dealer for this start-up business distribution.

Item 10: RISK FACTORS

10.1 Description of the main risks, in order of importance starting with the most important, of investing in the issuer’s business:

Kona is a private early stage company. It should be considered a high risk investment. Although the principals of Kona have public market experience there can be no guarantee of a liquidity event or success.

Item 11: REPORTING OBLIGATIONS

- 11.1 Description of the nature and frequency of any disclosure of information we intend to provide to investors after the closing of the distribution and how investors can access this information:

Annual shareholder update.

- 11.2 Description of any requirements under corporate legislation, our constating documents (such as articles of incorporation or bylaws) or otherwise to provide either or both of annual financial statements or an information circular/proxy statements to our security holders:

N/A

Item 12: RESALE RESTRICTIONS

- 12.1 The securities you are purchasing are subject to a resale restrictions. They can only legally be resold to a very limited number of people. You may never be able to resell the securities.

Item 13: INVESTORS' RIGHTS

- 13.1 *Two-day cancellation right* – if you agree to make an investment, you have a short period in which to change your mind and cancel your agreement. To do so, you must send a notice to the issuer, or if the issuer has retained a dealer in respect of the distribution, to the dealer within 48 hours of the later of (a) your subscription, and (b) an amended offering document being delivered to you.

Right of action in the event of a misrepresentation – if there is a misrepresentation in the offering document, including all amendments to that document, you have a statutory right to sue (a) the issuer to cancel your agreement or (b) the issuer, its directors, and each individual who has signed the offering document for damages.

The right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on these rights, you must do so within strict time limits. An action to cancel your agreement must be commenced no more than 180 days from the day of the transaction giving rise to the cause of action. An action for damages must be within the lesser of (a) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, and (b) 3 years from the day of the transaction giving rise to the cause of action.

Item 14: DATE AND CERTIFICATE

- 14.1 This offering document does not contain a statement that, in a material respect and at the time and in light of the circumstances in which it is made, is misleading or untrue and it does not fail to state a fact that is required to be stated or that is necessary to make a statement not misleading.

- 14.2 This offering document is certified as follows:

Certified as of August 27, 2018

By: Connor Cruise

Title: Director

Signature: "*Connor Cruise*"

14.3 I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature.