A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the Provinces of British Columbia and Ontario but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Non-Offering Prospectus **Dated August 14, 2019**

VANADIUM 23 CAPITAL CORPORATION
1100 – 1111 Melville Street
Vancouver, British Columbia V6E 3V6

No securities are being offered pursuant to this Prospectus.

This non-offering preliminary prospectus (this "**Prospectus**") is being filed with the British Columbia Securities Commission (the "**BCSC**") and the Ontario Securities Commission (the "**OSC**") for the purpose of allowing Vanadium 23 Capital Corporation ("**V23**" or the "**Company**") to become eligible for listing pursuant to Section 1.2(a) of Policy 2 – *Qualifications for Listing* of the Canadian Securities Exchange (the "**CSE**"). Upon the issuance of the final receipt for this Prospectus, V23 will become a reporting issuer in each of the Provinces of British Columbia and Ontario.

This Prospectus is also being filed to qualify the distribution in British Columbia and Ontario of up to 10,000,000 common shares in the capital of the Company (each, a "**Common Share**") and up to 5,000,000 V23 Warrants (as defined herein). The Common Shares and the V23 Warrants will comprise units of the Company (each, a "**Unit**") to be issued upon the automatic conversion of up to 10,000,000 subscription receipts of the Company (each, a "**Subscription Receipt**"), in accordance with the terms thereof, all of which will be distributed pursuant to available prospectus and registration exemptions. The Subscription Receipts are to be issued in connection with a private placement of the Subscription Receipts by the Company at a price of $0.40 per Subscription Receipt, for gross proceeds of up to $4,000,000. See "*Plan of Distribution*".

Each Subscription Receipt will be automatically convertible into one Unit, with each Unit to be comprised of one Common Share and one-half of one V23 Warrant, on the earlier of (a) four months following the date of issuance of the Subscription Receipts, and (b) the business day prior to the closing of the Amalgamation (as defined herein).

The Units and the Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds will be received by the Company from the distribution of the Units upon the conversion of the Subscription Receipts.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by V23.

There is no market through which the securities of V23 may be sold and holders of V23's securities may not be able to resell any such securities. This may affect the pricing of the securities of V23 in the secondary market, the transparency and availability of trading prices, the liquidity of the securities of V23, and the extent of issuer regulation. Investors should carefully consider the risk factors described under "*Risk Factors*".

No underwriter or selling agent has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigations in respect of the contents of this Prospectus.

As at the date of this Prospectus, V23 does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United

States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

V23 intends to make an application for listing on the CSE but has not yet completed such application, nor received the conditional approval of the CSE for such listing, as at the date of this Prospectus. Listing is subject to V23 fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements.

An investment in the securities of V23 or the Resulting Issuer (as defined herein) is highly speculative and involves a high degree of risk that should be considered by potential purchasers. There is no guarantee that an investment in V23 or the Resulting Issuer will earn any positive return in the short or long term. An investment in V23 or the Resulting Issuer is appropriate only for investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risk factors included in this Prospectus should be reviewed carefully and evaluated by prospective investors in the Company. See "*Risk Factors Regarding the Company*", "*Risk Factors Regarding the FreePoint Business*" and "*Forward-Looking Information*".

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

John Traynor, the proposed chief executive officer of the Resulting Issuer, resides outside of Canada and has appointed Bennett Jones LLP, 2500 – 666 Burrard Street, Vancouver, BC V6C 2X8, as his agent for service of process in Canada. Investors 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.

The head office of V23 is located at 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6 and its registered office is located at 2900 – 595 Burrard Street, Vancouver, BC V7X 1J5.

TABLE OF CONTENTS

SUMMARY OF PROSPECTUS

The following is a summary of V23, FreePoint, and the principal features of the Transaction (as defined herein), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms used but not defined in this summary are defined in the section of this Prospectus entitled "Glossary of Terms".

V23

V23 was incorporated under the BCBCA on January 30, 2018. V23's head office is located at 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6, and its registered and records office is located at 2900 – 595 Burrard Street, Vancouver, BC V7X 1J5.

V23 currently has no active business or assets other than cash and accounts receivable, and is actively engaged in identifying a business or asset with which to undertake a transaction. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends prior to the Closing.

FreePoint

FreePoint Technologies Inc. ("**FreePoint**") was incorporated under the OBCA on January 25, 2013. FreePoint's head office is located at 825 Bradley Avenue, London, ON N6E 3C2, and its registered and records office is located at 75 Park Lane Crescent, London, ON N6K 2V1. FreePoint is a technology company that helps manufacturers engage employees, reduce downtime, improve productivity, optimize capacity utilization, and increase profitability by using its industrial IoT hardware and patent-pending software to collect, analyze, and share factory-floor production data. See "*Information Regarding FreePoint – Description of the Business*".

The Amalgamation

On May 15, 2019, V23 entered into an amalgamation agreement (the "**Amalgamation Agreement**") with FreePoint and 2696399 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of V23, pursuant to which the parties have agreed to complete a three-cornered amalgamation transaction which will result in the reverse take-over of V23 by FreePoint. Pursuant to the terms of the Amalgamation Agreement, Newco will amalgamate with FreePoint pursuant to a statutory procedure under the OBCA and, in connection with the Amalgamation, each holder of FreePoint Shares will receive one Exchange Share in exchange for each FreePoint Share and the amalgamated corporation will become a wholly owned subsidiary of V23 (the "**Transaction**"). It is anticipated that V23 will issue 26,884,375 Exchange Shares to the FreePoint Shareholders in connection with the Transaction. Following the Closing, the business of V23 will be the business of FreePoint.

Closing of the Transaction is subject to various closing conditions, including completion of the V23 Financing, completion of the V23 Consolidation and the FreePoint Consolidation, the approval of the FreePoint Shareholders, and the approval of the listing of the Common Shares on the CSE. Concurrently with the completion of the Transaction, V23 intends to change its name to "FreePoint Industries Inc." or such other name as is determined by FreePoint in its sole discretion, and as is acceptable to the CSE.

As of the date of this Prospectus, the Transaction has not been completed. There is no assurance that the Transaction will be completed on its current terms or at all.

V23 Consolidation and FreePoint Consolidation

Pursuant to the terms of the Amalgamation Agreement, it is a condition to the completion of the Transaction that both V23 and FreePoint will consolidate their outstanding common shares on the basis of one post-consolidation share for each two pre-consolidation shares. As it is a condition and it is not expected that such condition will be waived, all share amounts and prices per share set out in this Prospectus have been adjusted to give effect to the V23 Consolidation or the FreePoint Consolidation, as applicable, unless otherwise indicated.

V23 Financing

In accordance with the terms of the Amalgamation Agreement, V23 will undertake the V23 Financing, on a private placement basis, to raise gross proceeds of up to $4,000,000. As the V23 Financing consists of the offering of Subscription Receipts, it will be completed prior to the Closing, however the proceeds will be held in escrow and not released to V23 unless the conditions provided for in the terms of the subscription receipt agreement governing the Subscription Receipts are completed by the time set forth in such agreement. Subject to the satisfaction of such escrow release conditions, each Subscription Receipt will automatically convert, for no additional consideration, into one Common Share and one-half of one V23 Warrant, with each whole V23 Warrant entitling the holder to acquire one Common Share at a price of $0.60 per Common Share for 12 months from the date of issue. The Common Shares and V23 Warrants sold under the V23 Financing will be qualified under this Prospectus.

Business Objectives and Milestones

The primary business objectives for the Company over the next 12 months are:

(a) to complete the proposed RTO with FreePoint;

(b) to increase the total number of connected FreePoint machines;

(c) to increase revenue per connected FreePoint machine; and

(d) to integrate FreePoint's Shiftworx program with enterprise applications and workflows.

No Securities Distributed

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the BCSC and OSC for the purpose of allowing V23 to apply for listing on the CSE and to enable V23 to develop an organized market for the Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by V23.

Listing

The Company intends to apply for the listing of the Common Shares on the CSE but has not yet completed such application, nor received conditional approval from the CSE for the listing. The listing will be conditional on the Company obtaining such conditional approval and fulfilling all of the requirements of the CSE, and meeting certain financial and other requirements, including receiving a receipt for this Prospectus from the British Columbia Securities Commission. The Company has reserved "FPTI" as its trading symbol with the CSE.

Directors and Officers

The current directors and officers of the Company are:

David Patterson – CEO and Director
Colin Watt – CFO and Director

Following the Closing, each of the directors and officers of the Company are expected to resign, and it is expected that the directors and officers of the Company will be as follows, all of whom will be nominees of FreePoint:

E. Paul Hogendoorn – Chair of the Board and Director
John Traynor – CEO
Chris Carmichael – CFO and Secretary
Bernard (Barney) Lawn – Chief Operating Officer
David Eto – Director
David Gurnham – Director

Richard Kostoff – Director
Sophear Net – Director

See "*Information Regarding FreePoint – Directors and Executive Officers*" for more information about the backgrounds of the proposed directors and officers.

Estimated Funds Available Following Closing

The following table sets out information respecting the Resulting Issuer's expected sources of cash following the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to V23 and FreePoint as of the date hereof:

Sources	**Amount ($)**
Estimated V23 working capital as at July 31, 2019 (unaudited)	135,000[(1)]
Estimated FreePoint working capital as at July 31, 2019 (unaudited)	100,000[(1)]
Gross proceeds of V23 Financing	**4,000,000**
Estimated funds available to the Resulting Issuer upon completion of the RTO	**4,235,000**

(1) Neither V23 nor FreePoint has yet prepared its unaudited condensed consolidated interim financial statements for the period ended July 31, 2019 so these numbers are management's estimates only and may change once such financial statements are finalized.

In addition to the foregoing, additional funds will be derived from revenues generated from the operation of FreePoint's business.

Principal Purposes

The following table sets out information respecting the Resulting Issuer's intended principal uses of funds for the 12 months following the completion of the Transaction, however there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The intended uses of funds may vary based upon a number of factors and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to V23 and FreePoint as of the date hereof:

Use of Funds	**Amount ($)**
Estimated 12 month general and administrative expenses	562,000[(1)]
Repayment of the FreePoint BDC 2017 Loan	570,000
Repayment of the FreePoint BDC 2015 Loan	61,920
Repayment of the FreePoint Bridge Loan	250,000
Purchase price adjustment related to the acquisition of Core[(2)]	145,000
Maintenance of existing products and research and development	1,268,000[(3)]
Sales and marketing	969,900[(4)]
Unallocated funds	408,180
Total	**4,235,000**

(1) Includes wages, salaries, benefits and related employee expenses of $217,600; office and general expenses of $116,700; rent, property tax and insurance of $69,100; professional fees of $132,600; directors' fees of $16,000; and CSE and transfer agent fees of $10,000.

(2) The terms of the acquisition of Core provided for a purchase price adjustment equal to the net amount of working capital acquired after a final determination of certain items, including the addition of refundable tax credits received and the subtraction of any uncollectible accounts receivable.

(3) Includes wages, salaries, benefits and related employee expenses of $1,160,600 and other expenses of $107,400.

(4) Includes wages, salaries benefits, and related employee expenses of $687,400 and other expenses of $282,500.

Selected Pro-Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer as at March 31, 2019. The information should be read in conjunction with the pro forma financial statements, which are attached hereto as Schedule B.

	V23 (audited) as at March 31, 2019 ($)	FreePoint (unaudited) as at March 31, 2019 ($)	Pro Forma Adjustments (unaudited) ($)	Resulting Issuer Pro Forma (unaudited) as at March 31, 2019 ($)
Current assets	168,313	696,669	3,808,441	4,673,423
Total assets	168,313	804,310	3,808,441	4,781,064
Current liabilities	23,126	1,833,114	(1,186,874)	669,366
Total liabilities	23,126	2,271,987	(1,598,849)	696,264
Shareholders' equity	145,187	(1,467,677)	5,407,290	4,084,800

Risk Factors

The activities of the Company are subject to the risks normally encountered in a company undertaking a reverse take-over transaction with a company with a growing business, including: negative operating cash flow; lack of adequate capital; liquidity concerns and the need for future financing to sustain operations; competition; government regulation; risks related to certainty of completion of the proposed Transaction; and risks associated with FreePoint's business. See "*Risk Factors Regarding the Company*" and "*Risk Factors Regarding the FreePoint Business*".

FORWARD LOOKING INFORMATION

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. In some cases, forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. V23 has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the expected timing and completion of the V23 Financing, the V23 Consolidation, the FreePoint Consolidation and the Closing;
- the intention to complete the listing of the Common Shares on the CSE and all transactions related thereto;
- expectations regarding the Resulting Issuer's expected revenue, expenses and operations;
- the Resulting Issuer's anticipated cash needs and its needs for additional financing;
- FreePoint's intention to grow the business and its operations;
- expectations with respect to future revenue;
- FreePoint's competitive position and the regulatory environment in which it operates;
- the Resulting Issuer's expected business objectives for the next twelve months; and
- the Resulting Issuer's ability to obtain additional funds through the sale of equity or debt.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, V23 and FreePoint have made various material assumptions, including assumptions regarding: the ability to obtain necessary approvals for the Transaction and the listing of the Common Shares on the CSE; the maintenance of current regulatory requirements; general business and economic conditions; the Resulting Issuer's ability to successfully execute its plans and intentions; the availability of financing on reasonable terms or at all; the Resulting Issuer's ability to attract and retain skilled staff; market conditions; the products and technology offered by FreePoint's competitors; and the expected maintenance of FreePoint's current good relationships with customers, suppliers, service providers and other third parties. Although V23 and FreePoint believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect, and V23 and FreePoint cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the expectations and predictions of V23 and FreePoint is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- uncertainty about the Resulting Issuer's ability to continue as a going concern;
- that the Resulting Issuer's actual financial position and results of operations may differ materially from the expectations of management;
- that the Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth and operations;

- that there are factors that may prevent the Resulting Issuer from realization of growth targets;
- that the Resulting Issuer may not be able to develop its products, which could prevent it from ever becoming profitable;
- that IoT software is a relatively new market and the Resulting Issuer's software may not perform as expected, and may not be adopted by the market to the extent currently anticipated by management;
- that the Resulting Issuer's officers and directors will control a large percentage of the issued and outstanding Common Shares following the Closing, and such officers and directors may have the ability to control matters affecting the Resulting Issuer and its business;
- that there is no assurance that the Resulting Issuer will be profitable;
- that the Resulting Issuer may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- effects on revenue of customer speculation or knowledge of future products or feature releases;
- that there is no assurance that manufacturers will engage workers and increase productivity using the products of the Resulting Issuer;
- that the Resulting Issuer may be unable to adequately protect its proprietary and intellectual property rights;
- that the Resulting Issuer may be forced to litigate to defend its intellectual property rights or to defend against claims by third parties relating to intellectual property rights;
- that the Resulting Issuer may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Resulting Issuer's reputation, business, results of operations, and financial condition;
- competition risks;
- that if the Resulting Issuer is unable to attract and retain key personnel, it may not be able to compete effectively in the technology industry;
- that if the Resulting Issuer sells equity securities to fund operations, capital expansion and/or mergers and acquisitions, existing shareholders will be diluted;
- that the Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses and claims against the Resulting Issuer;
- that the business of the Resulting Issuer will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- that the Resulting Issuer's officers and directors may be engaged in a range of business activities resulting in potential conflicts of interest;
- that there is currently no market for the Common Shares and there can be no assurance as to whether there will ever be a market or what the market price of the Common Shares may be in the event they are listed;
- that the Resulting Issuer will be subject to increased regulatory burdens resulting from its public listing on the CSE;

- that the market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which may be beyond the Resulting Issuer's control; and

- that the Resulting Issuer does not anticipate paying cash dividends.

Forward-looking statements in this Prospectus are made as of the date of this Prospectus and the Company disclaims any obligation to update any such forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential shareholders should not place undue reliance on forward-looking statements contained in this Prospectus.

GENERAL DISCLOSURE INFORMATION

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. No person has been authorized by the Company or FreePoint to give any information or make any representations in connection with the transactions described herein, including the Amalgamation, other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or FreePoint. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

Definitions and Selected Abbreviations

Various terms used in this Prospectus, including the cover pages, are defined under "*Glossary of Terms*". Unless the context otherwise requires, use in this Prospectus of the terms "Resulting Issuer", "we", "us" or "our" means the Resulting Issuer and assumes that the steps outlined under "*Information Regarding V23 – Proposed Acquisition of FreePoint – The Amalgamation*" have been completed.

Certain Information

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in Canadian dollars. Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and/or historical returns are not necessarily indicative of future performance. Unless otherwise indicated, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of FreePoint in the markets in which FreePoint operates. While management of FreePoint and V23 believe that this data is reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. V23 and FreePoint have not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

The audited annual financial statements of V23 for the fiscal years ended March 31, 2019 and 2018 have been prepared in accordance with IFRS and reported in Canadian dollars. The unaudited condensed consolidated interim financial statements of FreePoint for the three months ended March 31, 2019 and 2018, together with the notes thereto, as well as the audited annual consolidated financial statements of FreePoint for the years ended December 31, 2018 and 2017, together with the notes thereto and the auditor's report thereon, have been prepared in accordance with IFRS and reported in Canadian dollars.

The pro forma consolidated statement of financial position of the Resulting Issuer was prepared as at March 31, 2019 and reported in Canadian dollars.

GLOSSARY OF TERMS

As used in this Prospectus, the following terms have the following meanings, unless otherwise indicated:

"**Amalgamation**" means the amalgamation of FreePoint and Newco to continue as one corporation under the OBCA pursuant to the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement dated as of May 15, 2019 among V23, FreePoint and Newco, providing for the Amalgamation, as such agreement may be amended, supplemented and/or restated from time to time, in accordance with its terms, a copy of which has been filed on SEDAR;

“**Associate**”, when used to indicate a relationship with a person or company, means (a) a partner, other than a limited partner, of that person, (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity, (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or (d) a relative, including the spouse, of that person or a relative of that person’s spouse, if the relative has the same home as that person;

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

“**BDC**” means the Business Development Bank of Canada;

“**Board**” means the board of directors of V23, FreePoint or the Resulting Issuer, as the context requires;

“**CEO**” means chief executive officer;

“**Certificate of Amalgamation**” means a certificate of amalgamation issued under the OBCA giving effect to the Amalgamation;

“**CFO**” means chief financial officer;

“**Closing**” means the completion of the Amalgamation;

“**Common Shares**” means common shares in the capital of V23 or the Resulting Issuer, either before or after the V23 Consolidation, as applicable;

“**Company**” means V23 or the Resulting Issuer, as applicable;

“**Consolidations**” means, together, the FreePoint Consolidation and the V23 Consolidation;

“**Core**” means CoreSolutions Software Inc., a wholly-owned subsidiary of FreePoint;

“**CSE**” means the Canadian Securities Exchange;

“**CSE Policies**” means the rules and policies of the CSE in effect as of the date hereof;

“**Debenture Indenture**” means the debenture indenture dated December 31, 2018 between FreePoint and the Transfer Agent with respect to the FreePoint Debentures;

“**EBITDA**” means earnings before interest, tax, depreciation and amortization;

“**Effective Time**” means the effective time of the completion of the Amalgamation;

“**Escrow Agent**” means National Securities Administrators Ltd. at its office in Vancouver, BC;

“**Escrow Agreement**” means the escrow agreement among the Company, the Escrow Agent, and the holders of the Escrow Securities;

“**Escrow Commencement Date**” means the first day of trading of the Resulting Issuer Shares on the CSE;

“**Escrow Securities**” means the Common Shares held by the directors, officers and any other Insiders of the Resulting Issuer on the Listing Date that will be deposited in escrow at the Closing pursuant to the Escrow Agreement;

“**ERP**” means enterprise resource planning;

“**Exchange Options**” means the V23 Options to be granted to the holders of FreePoint Options in connection with the Closing;

“**Exchange Shares**” means the Common Shares that FreePoint Shareholders will receive in exchange for their FreePoint Shares pursuant to the Amalgamation;

“**Exchange Warrants**” means the V23 Warrants to be granted to the holders of FreePoint Warrants in connection with the Closing;

“**FreePoint**” means FreePoint Technologies Inc., a company incorporated under the laws of the Province of Ontario;

“**FreePoint BDC 2015 Loan**” means the loan in the principal amount of $206,683 advanced by BDC to FreePoint pursuant to the FreePoint BDC 2015 Loan Agreement;

“**FreePoint BDC 2015 Loan Agreement**” means the loan agreement dated July 27, 2015 between FreePoint and BDC pursuant to which the FreePoint BDC 2015 Loan was advanced;

“**FreePoint BDC 2017 Loan**” means the loan in the principal amount of $500,000 advanced by BDC to FreePoint pursuant to the FreePoint BDC 2017 Loan Agreement;

“**FreePoint BDC 2017 Loan Agreement**” means the loan agreement dated December 7, 2017, as amended by a letter agreement dated January 3, 2019, between FreePoint and BDC pursuant to which the FreePoint BDC 2017 Loan was advanced;

“**FreePoint Bridge Loan**” means the loan in the principal amount of $250,000 advanced by Leede Jones Gable Inc. to FreePoint pursuant to the FreePoint Bridge Loan Agreement;

“**FreePoint Bridge Loan Agreement**” means the loan agreement dated July 29, 2019 between FreePoint and Leede Jones Gable Inc. pursuant to which the FreePoint Bridge Loan was advanced;

“**FreePoint Consolidation**” means the consolidation of the issued and outstanding FreePoint Shares on the basis of two pre-consolidation FreePoint Shares for each post-consolidation FreePoint Share, the completion of which is a condition to the Closing;

“**FreePoint Debentures**” means convertible debentures of FreePoint in the aggregate principal amount of $731,000 issued pursuant to the Debenture Indenture, all of which are expected to be converted into FreePoint Shares prior to the Closing pursuant to the FreePoint Debt Restructuring;

“**FreePoint Debt Restructuring**” means the conversion into FreePoint Shares, prior to the Closing, of the principal amount outstanding under the FreePoint Debentures and all accrued interest thereon up to the date of conversion, at a deemed conversion price of $0.32 per FreePoint Share;

“**FreePoint Plan**” means the FreePoint stock option plan that was adopted by the FreePoint Board on November 22, 2018;

“**FreePoint Options**” means options to acquire FreePoint Shares issuable under the FreePoint Plan;

“**FreePoint Shareholders**” means the holders of FreePoint Shares;

“**FreePoint Shareholders’ Agreement**” means the amended and restated unanimous shareholders agreement made as of November 30, 2017 among FreePoint and each FreePoint Shareholder;

"**FreePoint Shares**" means common shares in the capital of FreePoint, either before or after the FreePoint Consolidation, as applicable;

"**FreePoint Warrants**" means the warrants to acquire FreePoint Shares;

"**IFRS**" means International Financial Reporting Standards;

"**Insider**", when used in relation to an issuer, means: (a) a directors or senior officer of the issuer, (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer, (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, and (d) the issuer itself if it holds any of its own securities;

"**IoT**" means internet of things;

"**IIoT**" means industrial IoT;

"**IT**" means information technology;

"**Jazin**" means Jazin Company LLC, a limited liability company wholly-owned by John Traynor, the CEO of FreePoint;

"**Listing Date**" means the date on which the Resulting Issuer Shares are listed for trading on the CSE;

"**M2M**" means machine-to-machine;

"**Named Executive Officers**" or "**NEOs**" means the following individuals:

(a) the CEO of an issuer,

(b) the CFO of an issuer,

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the issuer's CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year, and

(d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of an issuer, and not acting in a similar capacity, at the end of that financial year;

"**Newco**" means 2696399 Ontario Inc., a wholly-owned subsidiary of V23 formed solely for the purpose of completing the Amalgamation;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Requirements*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

"**NI 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines*;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**OEE**" means overall equipment effectiveness;

"**Option Plan**" means the Resulting Issuer's stock option plan providing for the grant of Options to directors, officers, employees and consultants of the Company;

"**Person**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual;

"**Prospectus**" means this non-offering preliminary long-form prospectus;

"**Resulting Issuer**" means V23 following completion of the Transaction;

"**RRIF**" means a registered retirement income fund;

"**RRSP**" means a registered retirement savings plan;

"**RTO**" means the Transaction pursuant to which V23 will indirectly acquire FreePoint and the FreePoint Shareholders will acquire control of the Resulting Issuer;

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

"**St. Clair Technologies**" means St. Clair Technologies, Inc., a company controlled by Randall Hess, the co-founder and an Insider of FreePoint;

"**Subscription Receipt**" means a subscription receipt of V23 issued pursuant to the V23 Financing, each of which will, upon satisfaction of certain conditions, convert into a unit consisting of one Common Share and one-half of one V23 Warrant, with each whole V23 Warrant being exercisable into one Common Share at a price of $0.60 per Common Share for a period of 12 months from the date of issuance;

"**Transaction**" means, collectively, the change of name of V23, the V23 Financing, the Consolidations, the Amalgamation, the issuance of the Exchange Shares to the FreePoint Shareholders and all related transactions contemplated by the Amalgamation Agreement;

"**Transfer Agent**" means National Securities Administrators Ltd. at its office in Vancouver, British Columbia;

"**V23**" means Vanadium 23 Capital Corporation, a company incorporated under the laws of the Province of British Columbia;

"**V23 Consolidation**" means the consolidation of the issued and outstanding Common Shares on the basis of two pre-consolidation Common Shares for each post-consolidation Common Share, the completion of which is a condition to the Closing;

"**V23 Financing**" means the proposed non-brokered private placement of up to 10,000,000 Subscription Receipts by V23 at a price of $0.40 per Subscription Receipt for gross proceeds of up to $4,000,000;

"**V23 Options**" means stock options of V23; and

"**V23 Warrants**" means warrants to acquire Common Shares.

INFORMATION REGARDING V23

CORPORATE STRUCTURE

Name, Address and Incorporation

V23 was incorporated pursuant to the BCBCA on January 30, 2018 under incorporation number BC1151139. It changed its name to "Vanadium 23 Capital Corporation" on February 2, 2018. The head office of the Company is located at Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, V6E 3V6, and its registered and records office is located at Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J5.

V23 is not a reporting issuer in any jurisdiction and the Common Shares are not listed for trading on any stock exchange. V23 was formed for the sole purpose of identifying a business transaction with another entity to facilitate that entity's ability to go public and seek a listing on a Canadian stock exchange.

Intercorporate Relationships

V23 has one wholly-owned subsidiary, Newco, which was incorporated under the OBCA on May 14, 2019, solely for the purpose of completing the Amalgamation.

DESCRIPTION OF THE BUSINESS

V23 currently has no active business. Since incorporation, it has been engaged in the identification of target assets or businesses to acquire or enter into a transaction with. As such, V23 currently has no material assets other than cash. It does not have a history of earnings, nor has it paid any dividends, and it will not generate earnings or pay dividends prior to the Closing.

History Since Incorporation

Effective January 30, 2018, V23 issued 2,500,000 Common Shares at a price of $0.02 per Common Share (adjusted to give effect to the V23 Consolidation) for gross proceeds of $50,000, pursuant to which 1,250,000 Common Shares were issued to each of David Patterson, V23's CEO, and Colin Watt, V23's CFO.

Effective April 30, 2018, V23 completed a non-brokered private placement pursuant to which it issued 1,215,000 special warrants at a price of $0.10 per special warrant (adjusted to give effect to the V23 Consolidation) for gross proceeds of $121,500. On August 31, 2018, the special warrants were converted into an aggregate of 1,215,000 Common Shares (adjusted to give effect to the V23 Consolidation) for no additional consideration.

Effective March 19, 2019, V23 entered into a letter of intent with FreePoint which contemplated the acquisition of all of the issued and outstanding FreePoint Shares by V23 pursuant to a three-cornered amalgamation.

On May 15, 2019, V23 entered into the Amalgamation Agreement with FreePoint and Newco, which is intended to result in the RTO of V23 by FreePoint. Pursuant to the terms of the Amalgamation Agreement, Newco, a wholly owned subsidiary of V23, will amalgamate with FreePoint pursuant to a statutory procedure under the OBCA and, in connection with the Amalgamation, each FreePoint Shareholder will receive one Exchange Share in exchange for each FreePoint Share held and the amalgamated corporation will become a wholly owned subsidiary of V23.

Asset-Backed Securities

V23 has no asset-backed securities outstanding.

PROPOSED ACQUISITION OF FREEPOINT

Introduction

On May 15, 2019, V23 entered into the Amalgamation Agreement with FreePoint and Newco, which is intended to result in the RTO of V23 by FreePoint.

FreePoint is a private Canadian company that is bringing IoT technologies to the factory floor. It offers a suite of productivity monitoring tools that connect directly with machines and manual processes of varying age and type, often non-invasively. Machine monitoring information is made available to all plant team members in real-time, giving everyone current information. Machines are typically connected in under 30 minutes, and information is pushed to the cloud immediately. Management and operators can access visual dashboards and reports the moment that data is pushed to the cloud, real time data, as well as comparative historic information to assist with analysis and decisions, and improve machine optimization using FreePoint's scheduling utilities.

Name Change and Consolidations

Prior to the completion of the Amalgamation:

(a) V23 will file articles of amendment under the BCBCA to change the Company's name to "FreePoint Industries Inc.", or such other name as is determined by FreePoint in its sole discretion, to better reflect the business of the Resulting Issuer;

(b) V23 will complete the V23 Consolidation pursuant to the provisions of the BCBCA; and

(c) FreePoint will complete the FreePoint Consolidation pursuant to the provisions of the OBCA.

The Amalgamation

Pursuant to the terms of the Amalgamation Agreement, Newco, a wholly owned subsidiary of V23, will amalgamate with FreePoint pursuant to a statutory procedure under the OBCA and, in connection with the Amalgamation, each FreePoint Shareholder will receive one Exchange Share in exchange for each FreePoint Share held and the amalgamated corporation will become a wholly owned subsidiary of V23. In connection with the Closing, the FreePoint Options will be exchanged for Exchange Options and the FreePoint Warrants will be exchanged for Exchange Warrants, and all of the FreePoint Options and FreePoint Warrants will be cancelled.

It is anticipated that, in connection with the Closing, V23 will issue the FreePoint Shareholders an aggregate of 26,884,375 Exchange Shares, plus an additional number of Exchange Shares to be issued in exchange for FreePoint Shares that may be issued on conversion of interest accrued on the FreePoint Debentures in connection with the FreePoint Debt Restructuring, as well as 2,125,000 Exchange Options and 750,000 Exchange Warrants. The terms of the Exchange Options and Exchange Warrants with respect to exercise price and expiry date will be the same as those of the FreePoint Options and FreePoint Warrants. The Company has also agreed to issue 1,000,000 Common Shares in connection with the Closing to Michael Seifert as a finder's fee in connection with the Transaction.

Following the Closing, the Exchange Shares will be freely tradeable in accordance with Section 2.11 of NI 45-106, however any Escrowed Securities will be deposited into escrow at Closing in accordance with the terms of the Escrow Agreement. See "*Escrowed Securities*".

The Common Shares to be issued as a finder's fee in connection with the Transaction will be subject to a restriction from trading until four months and one day after the Closing.

In connection with the Closing, all of the directors and officers of V23 are expected to resign and be replaced with nominees of FreePoint.

Pursuant to the terms of the Amalgamation Agreement, FreePoint and Newco will amalgamate under the OBCA to form one corporation ("**Amalco**") and in connection therewith it is expected that:

(a) Amalco's name will be "FreePoint Technologies Inc.";

(b) the registered office of Amalco will be 3400 – 100 King Street West, Toronto, ON M5X 1A4;

(c) the articles and by-laws of Amalco will be in the form attached to the Amalgamation Agreement;

(d) Amalco will be authorized to issue an unlimited number of common shares without par value;

(e) the initial directors of Amalco will be: E. Paul Hogendoorn, David Eto, Richard Kostoff, Sophear Net and David Gurnham; and

(f) Amalco will possess all of the property, assets, rights and privileges, and will be subject to all of the liabilities and all of the contracts, liabilities and debts, of FreePoint and Newco.

Completion of the Amalgamation is subject to satisfaction or waiver of various conditions, including that:

(a) all required regulatory, CSE, third party, shareholder and Board approvals shall have been obtained;

(b) no material action or proceeding will be existing or threatened which would prohibit the Amalgamation or any other aspect of the Transaction or result in material damages relating thereto;

(c) each party shall have performed its covenants in the Amalgamation Agreement;

(d) each party's representations and warranties in the Amalgamation Agreement shall be true and correct in all material respects as at the Closing;

(e) the Consolidations, the V23 Financing, the FreePoint Debt Restructuring and the name change of V23 shall have been completed;

(f) a receipt shall have been obtained for this Prospectus;

(g) the CSE shall have conditionally approved the listing of the Common Shares on the CSE;

(h) no material adverse changes shall have occurred in the business, prospects or affairs of the parties, other than a reduction of V23's cash position in order to pay ongoing operating expenses and professional fees in connection with the Transaction; and

(i) each of the parties and their respective officers and directors shall have completed the various steps, acts and events required to effect the Closing.

Prior to the Closing, it is expected that: (i) V23 will hold an annual general and special meeting of the V23 shareholders at which they will be asked to approve, among other things, the increase in the size of the V23 Board, and the approval of a stock option plan for the Company; and (ii) FreePoint will hold an annual general and special meeting of the FreePoint Shareholders at which they will be asked to approve, among other things, the Amalgamation.

Holders of FreePoint Shares may exercise dissent rights with respect to such FreePoint Shares in connection with the Amalgamation, and FreePoint Shares held by a dissenting holder who has validly exercised their dissent rights will not be exchanged for Exchange Shares, and will be settled in accordance with the provisions of the OBCA.

As of the date of this Prospectus, the Transaction has not yet been completed. There is no assurance that the Transaction will be completed on the terms expected or at all.

USE OF AVAILABLE FUNDS

Proceeds

This is a non-offering prospectus. V23 is not raising any funds in conjunction with this Prospectus and, accordingly, there will be no proceeds to V23 in connection with the filing of this Prospectus.

Funds Available

Prior to the Closing, V23 intends to complete the V23 Financing pursuant to which it intends to issue up to 10,000,000 Subscription Receipts at a price of $0.40 per Subscription Receipt for gross proceeds of up to $4,000,000. At the closing of the V23 Financing, the proceeds will be deposited into trust with V23's legal counsel. The proceeds will be held in trust until the satisfaction or waiver of all conditions precedent to the completion of the Amalgamation, other than the filing of articles of amalgamation in connection therewith, following which, each Subscription Receipt will automatically be exchanged, without payment of any additional consideration or further action on the part of the subscriber, for one Common Share and one-half of one V23 Warrant, with each whole V23 Warrant exercisable into one Common Share at a price of $0.60 per Common Share for 12 months from the date of issuance, and the subscription funds will be released to the Company.

The following table sets out information respecting the Resulting Issuer's expected available funds following the completion of the Transaction, based on the unaudited working capital positions of each of FreePoint and V23 as at July 31, 2019 and assuming completion of the FreePoint Financing. The amounts shown in the table are estimates only and are based upon the information available to V23 and FreePoint as of the date hereof:

Sources	Amount ($)
Estimated V23 working capital as at July 31, 2019 (unaudited)	135,000[(1)]
Estimated FreePoint working capital as at July 31, 2019 (unaudited)	100,000[(1)]
Gross proceeds of V23 Financing	4,000,000
Estimated funds available to the Resulting Issuer upon completion of the RTO	**4,235,000**

(1) Neither V23 nor FreePoint has yet prepared its unaudited condensed consolidated interim financial statements for the period ended July 31, 2019 so these numbers are management's estimates only and may change once such financial statements are finalized.

In addition to the foregoing, additional funds will be derived from revenues generated from the operation of FreePoint's business.

Principal Purposes

The following table sets out information respecting the Resulting Issuer's intended principal uses of funds for the 12 months following the completion of the Transaction, however there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The intended uses of funds may vary based upon a number of factors and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to V23 and FreePoint as of the date hereof:

Use of Funds	Amount ($)
Estimated 12 month general and administration expenses	562,000[(1)]
Repayment of the FreePoint BDC 2017 Loan	570,000
Repayment of the FreePoint BDC 2015 Loan	61,920
Repayment of the FreePoint Bridge Loan	250,000
Purchase price adjustment related to the acquisition of Core[(2)]	145,000
Maintenance of existing products and research and development	1,268,000[(3)]

Use of Funds	Amount ($)
Sales and marketing	969,900(4)
Unallocated funds	408,180
Total	**4,235,000**

(1) Includes wages, salaries, benefits and related employee expenses of $217,600; office and general expenses of $116,700; rent, property tax and insurance of $69,100; professional fees of $132,600; directors' fees of $16,000; and CSE and transfer agent fees of $10,000.

(2) The terms of the acquisition of Core provided for a purchase price adjustment equal to the net amount of working capital acquired after a final determination of certain items, including, for example, the addition of refundable tax credits received and the subtraction of any uncollectible accounts receivable.

(3) Includes wages, salaries, benefits and related employee expenses of $1,160,600 and other expenses of $107,400.

(4) Includes wages, salaries, benefits and related employee expenses of $687,400 and other expenses of $282,500.

As noted in the table above, approximately $570,000, or 13.5% of the proceeds available to the Resulting Issuer as set out in the table above, are expected to be used for repayment of the FreePoint BDC 2017 Loan in the principal amount of $500,000, and concurrent payment of $70,000 as a requisite bonus payment to BDC, being the minimum bonus payment payable in connection with the FreePoint BDC 2017 Loan. The FreePoint BDC 2017 Loan was advanced pursuant to the terms of the FreePoint BDC 2017 Loan Agreement, carries interest at the rate of 3.3% plus BDC's Floating Base Rate (as defined in the FreePoint BDC 2017 Loan Agreement and being 5.3% on the date thereof) per annum, and has a maturity date of November 15, 2019. Pursuant to the terms of the FreePoint BDC 2017 Loan Agreement, the proceeds were intended to provide FreePoint with working capital for growth. FreePoint used the proceeds to sustain its investment in product development in order to improve the reliability and marketability of its primary product offering, to fund sales and marketing activity to expand its business into markets outside Canada, and to fund operations prior to the acquisition of Core**.**

In addition, FreePoint is party to the FreePoint BDC 2015 Loan Agreement pursuant to which FreePoint is indebted to BDC in the outstanding amount of $61,920 as at the date of this Prospectus, which is expected to be repaid from the funds to be available to the Resulting Issuer following the Closing. This loan carries interest at the rate of 3.0% plus BDC's Floating Base Rate (as defined in the loan agreement and being 4.7% on the date thereof) per annum, and has a maturity date of January 15, 2021. FreePoint will not be penalized for prepayment of the FreePoint BDC 2015 Loan.

Approximately $250,000 of the proceeds available to the Resulting Issuer are expected to be used for repayment of the FreePoint Bridge Loan which was made pursuant to loan agreement between FreePoint and Leede Jones Gable Inc.

Approximately $500,000, or 11.8% of the available proceeds, are expected to be used for research and development with respect to new FreePoint products and services.

Other than as set forth above, it is not expected that more than 10% of the funds available to the Resulting Issuer will be used: (i) to acquire assets; (ii) to make any payment to any insider, Associate or Affiliate of V23, FreePoint or the Resulting Issuer; or (iii) for research and development of new products or services.

The Company intends to spend the available funds as stated in this Prospectus. However, there may be situations where, due to change of circumstance, outlook, research results and/or business judgment, a reallocation of funds may be necessary in order for the Company to achieve its overall business objectives. The Company may raise additional capital in the future in order to accelerate its growth and to pursue available business opportunities.

Business Objectives and Milestones

The business objectives that the Resulting Issuer expects to accomplish using its available funds during the 12-month period following the Closing, and the significant milestones that must occur in order to meet such objectives, are described in the following table:

Business Objective	Milestone for Business Objective to be Accomplished	Anticipated Timing to Achieve Business Objectives	Estimated Cost / Funds to be Expended
Increase total number of connected machines (customer breadth)	Activate channel partners, expand geographically, exceed sales targets	2020	$950,000
Increased average revenue per connected machine (customer depth)	Develop and integrate new "add-on" products to address top customer feature requests	2020	$1,200,000
Integrate ShiftWorx with enterprise applications and workflows (customer commitment)	Publish and promote public application programming interface (API) to enable data sharing	2020	$500,000

Unallocated Funds

Any unallocated funds will be added to the working capital of the Resulting Issuer.

Other Sources of Funding

Other than revenues generated from FreePoint's business, there are currently no other expected sources of funding that will be available to the Resulting Issuer following the Closing.

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid any dividends on the Common Shares. Although there are no restrictions that could prevent the Company from paying dividends or distributions, other than the statutory restrictions provided in the BCBCA, V23 does not expect to declare or pay any dividends on the Common Shares in the foreseeable future. Payment of any dividends will be dependent upon the Company's future earnings, its financial condition, and other factors that the Board determines are relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the Company for the financial years ended March 31, 2018 and 2019 are summarized below and should be read in conjunction with the audited annual financial statements of the Company for the years then ended, and the related notes thereto, which are attached as Schedule C to this Prospectus. All of the information presented in the management's discussion and analysis is based on such financial statements, which were prepared in accordance with IFRS. All amounts included in the management's discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

Overall

The following table summarizes V23's financial statements for the fiscal year ended March 31, 2019 and the period from incorporation (January 30, 2018) to March 31, 2018. The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

	Fiscal Year Ended March 31, 2019	Fiscal Period Ended March 31, 2018
Revenue	-	-
General and Administrative Expenses	$16,741	$9,572
Loss	($16,741)	($9,572)
Cash	$168,043	$131,852
Total Assets	$168,313	$131,944

	Fiscal Year Ended March 31, 2019	Fiscal Period Ended March 31, 2018
Current Liabilities	$23,126	$91,516[(1)]
Long-term Liabilities	-	-
Shareholders' Equity	$145,187	$40,428

(1) Includes $82,000 of subscriptions received in advance.

Results of Operations

As reflected in the Company's financial statements, V23 has not carried on any active business other than (i) the raising of funds for the purpose of identifying and evaluating assets, properties or businesses with a view to acquiring or participating therein, and (ii) the review and analysis of various business opportunities. As such, its principal asset is cash, and its expenses are primarily for costs of raising capital, office rent, professional fees, and investigating business opportunities.

For the year ended March 31, 2019, the Company reported a loss of $16,741 compared to a loss of $9,572 for the two month period ended March 31, 2018 ("2018"). The Company's loss per share was $0.00 (2018 - $0.00). The significant expenses incurred were:

- The Company incurred $5,521 (2018- $148) of office and miscellaneous costs, including $5,400 of rent. The Company paid $600 per month for rent on a month-to-month basis commencing in July 2018. The Company has not entered into a long term lease and can leave the space without penalty at any time.
- The Company incurred $11,220 (2018 - $9,424) of professional fees comprised of $5,000 (2018 - $7,000) for accounting and audit fees, and $6,220 (2018 - $2,424) incurred for legal fees. The legal fees in 2019 related primarily to preliminary costs incurred in the negotiation of agreements with FreePoint. Legal fees in 2018 related to the incorporation of the Company. Accounting fees incurred in the periods were accruals for annual audit work.

Financial Condition, Liquidity and Capital Resources

The Company's working capital position at March 31, 2019 was $145,187 compared to $40,428 at March 31, 2018.

During the year ended March 31, 2019, the Company issued 2,430,000 Common Shares pursuant to the conversion of 2,430,000 special warrants. During the year ended March 31, 2019, the Company received $39,500 for the subscription of 790,000 special warrants at a price of $0.05 per special warrant, and the Company received $82,000 for the subscription of 1,640,000 special warrants at a price of $0.05 per special warrant during the period ended March 31, 2018. On April 30, 2018, the Company closed the special warrant private placement and issued 2,430,000 special warrants. On August 30, 2018 each special warrant automatically converted, without payment of additional consideration, into one Common Share.

During the period ended March 31, 2018, the Company issued 5,000,000 Common Shares at a price of $0.01 per Common Share for total proceeds of $50,000.

The Company does not currently have an active business. The Company is reliant on equity financing to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future on terms satisfactory to the Company, or at all.

Risk Management and Financial Risks

Capital Management

V23 manages its shareholders' equity as capital. Its objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. V23 manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. It may attempt to issue new shares or debt. There can be no assurance that V23 will be able to obtain debt or equity capital. V23 is not currently subject to any externally imposed capital requirements.

Financial Risks

V23's risk exposures and the impact on its financial instruments are summarized below:

Liquidity Risk

V23's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, V23 had current assets of $168,313 (March 31, 2018 - $131,944) to settle current liabilities of $23,126 (March 31, 2019 - $91,516).

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution and accounts receivable. V23 regularly reviews its accounts receivable for amounts it determines are unlikely to be collected.

DESCRIPTION OF SECURITIES

Common Shares

The authorized capital of V23 consists of an unlimited number of Common Shares without par value, and each Common Share is equal to every other Common Share with respect to all rights and restrictions.

Holders of Common Shares are entitled to one vote per Common Share on all matters on which shareholders have the right to vote. The Common Shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. The Company may, if authorized by the Board, purchase or otherwise acquire any of the Common Shares at a price and upon the terms determined by the Board. Holders of the Common Shares are entitled to receive such dividends as may be declared by the Board out of funds legally available therefor. In the event of dissolution or winding up of the affairs of the Company, holders of the Common Shares will be entitled to share ratably in all assets of the Company remaining after payment of all amounts due to creditors.

Subscription Receipts

The Subscription Receipts will not be entitled to any voting rights. The Company will grant each holder of Subscription Receipts a contractual right of rescission with respect to the V23 Financing such that if a holder of a Subscription Receipt is, or becomes, entitled under applicable securities legislation to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation:

(a) the holder is entitled to rescission of both the holder's conversion of its Subscription Receipts and the V23 Financing;

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Subscription Receipt; and

(c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization

As at the date of this Prospectus, there are 7,430,000 Common Shares issued and outstanding, which is expected to be reduced to 3,715,000 Common Shares following the completion of the V23 Consolidation. Assuming the completion of the V23 Financing, there will be up to an additional 10,000,000 Common Shares issuable on conversion of the Subscription Receipts and 5,000,000 Common Shares that may become issuable on exercise of the V23 Warrants issuable on conversion of the Subscription Receipts.

The following table sets forth the share capital, and expected share capital, of the Company as at the dates shown below, prior to giving effect to the completion of the V23 Financing and the Amalgamation:

Class	Authorized Capital	Outstanding as at March 31, 2019	Outstanding as at the Date of this Prospectus	Outstanding Assuming Completion of the V23 Consolidation
Common Shares	Unlimited	7,430,000	7,430,000	3,715,000

Options to Purchase Securities

As at the date of this Prospectus, there are no V23 Options, V23 Warrants or any other securities convertible into Common Shares outstanding. In connection with the Closing, all of the V23 directors and officers are expected to resign and none are expected to hold any such convertible securities.

PRIOR SALES

Prior Sales

The following table sets out details of prior sales of securities by V23 since its incorporation on January 30, 2018, with all amounts adjusted to give effect to the V23 Consolidation:

Date	Reason for Issuance	Price per Security	Number of Securities Issued	Gross Proceeds
January 30, 2018	Incorporator’s Share	$0.02	0.5 Common Share[(1)]	$0.01
January 30, 2018	Private Placement	$0.02	2,500,000 Common Shares	$50,000
April 30, 2018	Private Placement	$0.10	1,215,000 Special Warrants	$121,500
August 31, 2018	Conversion of Special Warrants	N/A	1,215,000 Common Shares	N/A
Total			**3,715,000 Common Shares**	

(1) Repurchased by V23 and cancelled on the same date.

Trading Price and Volume

The Common Shares currently are not listed and do not trade on any stock exchange. The Company intends to apply to have the Common Shares listed on the CSE in connection with the Closing but the Company has not yet received conditional approval from the CSE for such listing and such listing may not be obtained.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO TRANSFER RESTRICTIONS

As at the date of this Prospectus, none of the Common Shares are subject to any escrow arrangements however, because V23 is currently not a reporting issuer, all of the Common Shares are subject to restrictions on transfer pursuant to V23’s articles and applicable securities laws.

PRINCIPAL SECURITYHOLDERS

To the knowledge of management of V23, no person or company owns of record or beneficially, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Certain information with respect to the directors and officers of V23 as at the date of this Prospectus is set out in the table below:

Name, Age, Position and Municipality of Residence	Principal Occupation for Last Five Years and Educational Background	Common Shares Beneficially Owned(1)	Percentage of Class(2)
David Patterson Age 65 Vancouver, British Columbia *CEO, Director and Promoter*	Co-founder and CEO of Vested Technology Corp., an equity crowd funding company.	187,500	5.1%
Colin Watt Age 47 Vancouver, British Columbia *CFO and Director*	President of Squall Capital Corp., a private consulting company that provides management services to public and private companies, since February 1997.	187,500	5.1%

(1) Adjusted to reflect the assumed completion of the V23 Consolidation.

(2) Based on 3,715,000 Common Shares outstanding as at the date of this Prospectus, assuming completion of the V23 Consolidation.

All of the directors and officers of the Company have held their respective positions since the incorporation of the Company, are independent contractors rather than employees of the Company, and none are party to any non-disclosure or non-competition agreement with the Company. Each of the directors and officers has extensive experience in the Canadian venture capital markets.

It is expected that all of the current directors and officers of the Company will resign in connection with the Closing and be replaced by nominees of FreePoint. For additional information regarding the expected directors and officers following the Closing, see "*Information Regarding the Resulting Issuer – Directors and Executive Officers*".

Aggregate Ownership of Securities

The directors and officers of the Company, as a group, directly or indirectly, beneficially own 375,000 Common Shares (adjusted to give effect to the assumed completion of the V23 Consolidation), representing approximately 10.1% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or officers of the Company has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manger or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director or executive officer of the Company has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulatory authority relating to securities legislation, entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or officer of the Company has, within the past ten years, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manger or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been, and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and behalf of other companies, and situations may arise where directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA.

EXECUTIVE COMPENSATION

V23 has not paid any compensation or issued any compensation securities to any director or officer since incorporation. V23 has no employees.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director, executive officer or employee of V23 or their respective associates or affiliates is currently, or has been at any time, indebted to V23.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee Charter, Composition and Relevant Education and Experience

V23's Audit Committee is comprised of David Patterson and Colin Watt neither of whom is "independent" but both of whom are "financially literate" as such terms are defined in NI 52-110. Given that the Audit Committee is comprised of both of V23's current directors, as at the date of this Prospectus, V23 has not adopted a formal Audit Committee Charter. In connection with the Closing, it is expected that the Resulting Issuer will adopt FreePoint's Audit Committee Charter, a copy of which is attached as Schedule A hereto.

Each Audit Committee member has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

Each of the Audit Committee members has acted as a director or audit committee member of multiple public issuers in the past and, as such, has obtained experience that is relevant to the performance of their responsibilities as a member of the Audit Committee. Each Audit Committee member is a businessman with experience in financial matters, and each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as of the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour and their extensive public company experience.

The relevant experience of the current members of the Audit Committee is as follows:

David Patterson – For more than 30 years, Mr. Patterson has been involved in the administration and finance of exploration and other venture companies based in North America. He has also been a director and/or officer of several public companies listed on the TSXV. Mr. Patterson holds a Masters of Business Administration from Simon Fraser University (1991).

Colin Watt - Mr. Watt has over 20 years of experience as a director and/or officer of several public companies listed on the TSX and TSXV. He has been the President of Squall Capital Corp., a private consulting company that specializes in financing, restructuring and providing management services to early stage public and private companies, since February 1997. Mr. Watt holds a Bachelors of Commerce (Finance) from the University of British Columbia (1993).

Audit Committee Oversight, Pre-Approval Policies and Procedures and External Auditor Service Fees

At no time since the commencement of V23's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

V23 has not formally adopted any specific policies and procedures for the engagement of audit and non-audit services. As at the date of this Prospectus, the Company's external auditor has not yet billed any fees to the Company in connection with the audit of the Company's annual financial statements for the fiscal years ended March 31, 2019 and 2018, or otherwise.

Reliance on Certain Exemptions

V23 is not a reporting issuer and, as such, is not subject to the provisions of, nor has it had to rely on any exemption provided under, NI 52-110.

Corporate Governance

Given the Company's size and the fact that it has no active business, V23 currently has only two directors, neither of whom is independent. The definition of independence used by the V23 Board is that set out in NI 52-110 in relation to members of Audit Committees. In that reference, a director is independent if he has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Following the Closing, it is expected that all of the directors of the Resulting Issuer Board will be nominees of FreePoint and that a majority of the members of the Audit Committee will be independent. See "*Information Regarding the Resulting Issuer – Audit Committee and Corporate Governance*".

Directorships

The following table sets out information regarding other reporting issuers of which the directors of V23 are currently directors:

Director Name	Reporting Issuer Name	Exchange Listing
David Patterson	VON Capital Corp.	TSXV
	BlockMint Technologies Inc.	TSXV
Colin Watt	VON Capital Corp.	TSXV
	BlockMint Technologies Inc.	TSXV

Orientation and Continuing Education

Given the fact that V23 does not currently have any active operations, the Board does not provide formal continuing education for directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, business experience, professional continuing education requirements, service as directors of other issuers, and advice from the Company's legal counsel, auditor and other advisers.

Ethical Business Conduct

The V23 Board has not adopted a written code of business conduct and ethics for its directors and officers. If a director had a material interest in a transaction or agreement being considered by V23, such director would be required to declare and fully disclose his interest, refrain from participating in any V23 Board discussion of such matter, and abstain from voting on any V23 Board resolution respecting such matter. The V23 Board also believes that the skill and knowledge of the Company's directors and advice from counsel ensure that non-conflicted directors are able to exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Nomination of Directors

Given the small size of the Board, V23 does not have a formal process or committee for proposing new nominees to the V23 Board.

Compensation

Given the small size of the Board, and the fact that V23 does not currently pay any compensation to any directors or officers, the Board has not appointed a compensation committee.

Other Board Committees

There are no committees of the V23 Board at this time other than the Audit Committee.

Assessments

The V23 Board has responsibility for assessing the effectiveness of the V23 Board as a whole, the committees of the V23 Board and the contribution of individual directors. Owing to the small size of the V23 Board and the lack of business activity by the Company, this task has not been assigned to any committee of the V23 Board and no formal process is in place.

PLAN OF DISTRIBUTION

The Company is undertaking the V23 Financing, on a private placement basis, pursuant to which it intends to issue up to 10,000,000 Subscription Receipts at a price of $0.40 per Subscription Receipt for gross proceeds of up to $4,000,000. The price for the Subscription Receipts was determined by the Company based on market conditions and its capital structure. The Subscription Receipts will be distributed pursuant to available prospectus and registration exemptions.

Each Subscription Receipt will entitle the holder to automatically receive, without payment of additional consideration and without further action on the part of the holder, and subject to adjustment, one Unit upon the earlier of (the "**Conversion Date**") (i) four months following the date of issuance of such Subscription Receipts; or (ii) the business day prior to the Closing. The Company will not receive any additional proceeds with respect to the Units distributed on conversion of the Subscription Receipts.

Each Unit will be comprised of one Common Share and one-half of one Warrant. Each whole Warrant will entitle the holder, on exercise, to purchase one Common Share for a period of 12 months following the Conversion Date, at an exercise price of $0.60 per Common Share. The number of Units issuable on conversion of the Subscription Receipts will be adjusted upon the occurrence of certain events, including any capital reorganization, reclassification, subdivision or consolidation of the capital stock of the Company, any merger, amalgamation or other corporate combination of the Company with one or more other entities, or any other events in which new securities of any nature are delivered in exchange for the issued Common Shares.

The certificates representing the Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Common Shares issued on exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends, or any amalgamation, merger or other reorganization of the Company.

This Prospectus is a non-offering prospectus and no securities are being offered pursuant to this Prospectus. As at the date of this Prospectus, the Company is not a reporting issuer in any jurisdiction. The Company will become a reporting issuer in the Provinces of British Columbia and Ontario following the issuance of a receipt for this Prospectus.

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

The Company intends to apply to list the Common Shares on the CSE but the Company has not yet completed such application, nor received conditional approval for such listing from the CSE.

RISK FACTORS

For information regarding risks associated with the business of the Company, see "*Information Regarding the Resulting Issuer – Risk Factors*".

PROMOTERS

V23 has no promoters other than its existing directors and officers and none of them have received any form of compensation or anything of value from V23 or any Affiliate thereof. For additional information regarding the directors and officers, see "*Directors and Executive Officers*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material pending legal proceedings or regulatory actions to which V23 is a party or, to the knowledge of management of V23, that are contemplated against V23.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, officer, Insider or promoter of the Company has had any material interest, direct or indirect, in any transaction from the time of incorporation of the Company to the date hereof that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS

The auditor of V23 is Baker Tilly WM LLP, at its office in Vancouver, British Columbia. Baker Tilly WM LLP has confirmed that they are independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

TRANSFER AGENT AND REGISTRAR

V23 does not currently have a transfer agent or registrar. The Company expects to engage the Transfer Agent at its principal offices located in Vancouver, British Columbia, to be the Company's transfer agent and registrar for the Common Shares prior to the Closing.

MATERIAL CONTRACTS

As at the date of this Prospectus, V23 has not been party to any material contract other than the Amalgamation Agreement.

For additional information regarding the Amalgamation Agreement, see "*Proposed Acquisition of FreePoint – The Amalgamation*".

EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of V23 or any associate or affiliate of V23.

INFORMATION REGARDING FREEPOINT

CORPORATE STRUCTURE

Name, Address and Incorporation

FreePoint was incorporated under the OBCA on January 25, 2013. Its head office is located at 825 Bradley Avenue, London, Ontario N6E 3C2, and its registered and records office is located at 75 Park Lane Crescent, London, ON N6K 2V1. FreePoint is a technology company that helps manufacturers engage employees, reduce downtime, improve productivity, optimize capacity utilization, and increase profitability by using its industrial IoT hardware and patent-pending software to collect, analyze and share factory-floor production data. FreePoint is not a reporting issuer in any jurisdiction and the FreePoint Shares are not listed for trading on any stock exchange.

Intercorporate Relationships

FreePoint has one wholly-owned subsidiary, CoreSolutions Software Inc., which is incorporated under the OBCA.

DESCRIPTION OF THE BUSINESS

Overview

FreePoint is involved in several overlapping and synergistic marketplaces: the enterprise resource planning ("**ERP**") / overall equipment effectiveness ("**OEE**") sectors, focused on productivity performance software, and the emerging machine-to-machine ("**M2M**") space, which is driving "smart manufacturing" or "digital factory" evolutions as well as "Industry 4.0", the name given to the current trend of automation and data exchange in manufacturing technologies.

The ERP market is currently estimated to be $42 billion[1]. FreePoint believes that the sector provides broad opportunity for the application of a disruptive M2M technology approach. In 2014, there were 5 billion M2M connections world-wide, generating revenue of over $500 billion[2]. By 2024, revenue in the sector is expected to exceed $1.6 trillion, and be generated from over 27 billion connections[3].

While Industry 4.0 and "smart manufacturing" initiatives are aimed at creating the future state of the manufacturing industry, these initiatives fail to address two relevant and significant industry issue. The first is that 85% of machines are "legacy machines" – in North America, the average age of a machine in a manufacturing plant is over 17 years old[4]. The second issue relates to the rate of retirement of older workers, and the struggle many companies face in attracting and retaining a younger work force. FreePoint believes these two issues create a niche for a disruptive technology that can both connect machines, including legacy machines, in their existing state, and engage younger workers to fill manufacturing jobs vacated by a retiring generation, thereby providing new types of manufacturing jobs created through technological advancements. FreePoint's platform is intended to address these industry issues and market influences.

Decisions in the manufacturing industry are often made based on trust and experience, meaning it can be difficult to displace technology suppliers that have established a foothold position on a plant floor with product offerings that are

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[1] ERP Software Market Report, published by Allied Market Research, forecasts that the global market is expected to reach $41.69 billion by 2020, registering a CAGR of 7.2% during the period 2014-2020. From https://www.alliedmarketresearch.com/press-release/global-ERP-software-market-is-expected-to-reach-41-69-billion-by-2020.html, retrieved March 28, 2019.

[2] M2M Global Forecast & Analysis Report, published by Machina Research (now part of Gartner), forecasts that the total number of M2M connections will grow from 5 billion in 2014 to 27 billion in 2024, a CAGR of 18%. The total M2M revenue opportunity will be USD1.6 trillion in 2024, up from USD500 billion in 2014, a CAGR of 12%. This includes devices, connectivity and application revenue. From https://machinaresearch.com/news/global-m2m-market-to-grow-to-27-billion-devices-generating-usd16-trillion-revenue-in-2024/ retrieved March 28, 2019.

[3] Ibid.

[4] FreePoint management estimate based on industrial capital replacement rates provided by public data sources, including the US Department of Commerce.

already used and trusted. The option of acquiring a new solution with more features at a lower cost will not necessarily motivate a manufacturing customer to switch technology solution providers as readily as customers in other market segments may do. Since most manufacturing equipment is "legacy", and largely network un-connectable in a cost-effective manner, there is a very real and significant "first mover advantage" available to the technology solution provider that can connect machines quickly and establish a foothold position. FreePoint aims to be that company.

To be successful, FreePoint believes that its products must: (i) be machine agnostic and IT platform agnostic, with minimum involvement with, or disruption to, existing infrastructure and operational equipment, and (ii) avoid or effectively mitigate hardware/software integration issues. By harnessing powerful and innovative technologies being developed for the M2M marketplace, and cloud-based software to enable subscribers to monitor and compare operating machines and produce comparative benchmark reports, FreePoint has developed a low-cost, ready-to-use OEE/M2M integrated solution for legacy machines and network enabled "smart" machines, that is scalable from single machines or production cells through to plant-wide installations.

History of the Business

FreePoint was incorporated in 2013 for the purpose of acquiring, developing and bringing to market a patent-pending wireless input/output technology that was originally developed by St. Clair Technologies, a company in which Randall Hess, one of the co-founders of FreePoint, holds a 25% interest. FreePoint acquired the rights to the wireless input/output technology from St. Clair Technologies pursuant to an intellectual property sale agreement dated February 1, 2013. FreePoint recognized the need and opportunity for a technology that could connect any machine to a database quickly and cost effectively, and use that information for management and analytic purposes, as well as to engage workers and drive productivity increases by connecting people with the value of the work being done.

FreePoint now offers a suite of productivity monitoring tools that connect directly with a wide variety of machines and manual processes, regardless of age, type or cost, and often non-invasively. Information is made available to all desired customer team members in real-time, putting everybody on the same page and keeping them focused on the same objectives. Machines are typically connected in under 30 minutes and information is pushed to the cloud immediately. Management and operators can have visual dashboards and reports the moment that data is pushed to the cloud, leveraging historic information to assist with data driven decisions (a form of predictive analysis), real time data (behavioural modification through gamification), and machine optimization through FreePoint's scheduling utilities (predictive/prescriptive analytics). FreePoint's technology has proven to increase productivity by up to 8% in automatic processes and up to 32% in manually operated processes, as validated by research funded by the Natural Science and Engineering Research Council and Ontario Centers of Excellence and carried out by Fanshawe College.

Product Offerings, Principal Markets and Distribution Methods

FreePoint offers: (i) hardware products, which enable connectivity from machines to its cloud services, (ii) software products, primarily its ShiftWorx software, which is a software as a service ("**SaaS**") product, and related modules licensed on a subscription basis, and (iii) professional services, which include installation, training and custom extensions to ShiftWorx to provide customer-specific features and functions. As such, FreePoint's business model combines embedded smart device IIoT with SaaS, and it receives both recurring revenue and revenue from upfront hardware component sales and installation, both based on installation and license fees that are charged on a per-machine basis.

FreePoint products are currently in use in over 100 customer sites worldwide. FreePoint has an active research and development program and continues to invest in the refinement and further development of its hardware and software product features and functions in order to address customer needs and anticipate competitive offerings.

Each of FreePoint's products and services are sold primarily to manufacturers. The serviced market consists primarily of discrete (e.g. piece or part producers or assemblers) rather than continuous (e.g. chemical or fluid makers) manufacturers. Geographically, FreePoint's initial target market is in North America.

FreePoint believes the significant differentiator between the traditional SaaS model and the FreePoint platform results from the embedded nature of the IIoT. In the industrial shop floor environment, once a device or system is in place, it is rarely displaced. As a result, licence renewals are more likely than with a conventional SaaS model. Additionally, the revenue base is able to grow significantly year over year on same-machine connections as new FreePoint software modules are introduced and adopted by end customers.

Hardware includes a family of remote input/output (“**I/O**”) devices, including:

- the **FPT 4i** through **FPT 16i** family, which wirelessly transmit 4 to 16 discrete sensor inputs and machine signals to a local data aggregator;

- the **FPT MS1** product, which connects data from the FPT 4i through FPT 16i family to a local IoT gateway (typically a personal computer) and then to FreePoint’s cloud services; and

- the future **FPT Xi** family, currently in the planning and development stage, which is intended to support one or more industry standard network and data protocols (including Ethernet/IP, EtherCAT, Profinet, Modbus, MTConnect, FINS, OPC UA etc.) for a deeper data connection to newer machines, and to provide edge type processing functions, and which may also act as a data aggregator and cloud connector.

FreePoint does final assembly and testing of its hardware products at its facility in London, Ontario.

Software available on a subscription basis (in most cases, an annual subscription) includes:

- **ShiftWorx WatchLive**, FreePoint’s standard machine monitoring and visualization package;

- **ShiftWorx Narrative**, a module designed to engage machine operators;

- **ShiftWorx Notifications**, a module that allows email and text alarms to be sent upon certain conditions; and

- **ShiftWorx Scheduler**, an enterprise wide module that allows work scheduled for machines to be planned and managed more effectively.

Services available primarily on a time-and-materials basis include: (i) on-site installation services to connect a customer’s machines to the ShiftWorx system; (ii) training with respect to the installation, configuration and use of ShiftWorx; and (iii) custom software development to expand the functionality of ShiftWorx or connect it to other systems. On-site installation and training services are provided by FreePoint employees, contractors or reseller partners.

Growing annual license revenue is FreePoint’s primary objective. As FreePoint’s user connection base grows, so does the opportunity to generate recurring revenue and increase the value of data collected, creating more opportunities for custom solutions, which in turn could derive additional value from the data for FreePoint’s customers, increasing loyalty and commitment to FreePoint.

Until recently, FreePoint products were exclusively sold direct to customers, and historically all of FreePoint’s revenue was derived from such sales. More recently, FreePoint has established channel partners who refer customers to FreePoint for a fee, or who resell FreePoint hardware and software generally with their own installation, training and support services. FreePoint has several active referral and resale partners that have recently commenced representing FreePoint in the market. FreePoint has also held discussions with industrial and IT distributors that may carry local inventory and sell to local resellers, but no formal distribution agreements in this regard have been entered into as at the date of this Prospectus.

Key Customers

St. Clair Technologies was an early trial customer, testing FreePoint’s first prototypes and first “minimally viable product" deployment, and continuing to test new product updates. FreePoint's ShiftWorx software is currently in use at St. Clair Technologies' plants. Armo-Tool Ltd. ("Armo-Tool"), a machine maker based in London, Ontario, was another early original equipment manufacturer (OEM) customer that continues to embed FreePoint's technology in its own products for sale to end-use customers.

By October 2016, FreePoint had firmly established the validity of its platform, its value proposition, and its growth plans. Key customers include Magna International, Caldwell, Armo Tool, Anchor Danly, Sandvik, Walbar, MJ Celco, Vulcan Steel, and many more. Studies and white papers done in conjunction with Fanshawe College, the Natural Sciences and Engineering Research Council of Canada, and Ontario Centres of Excellence have validated FreePoint's claims that 8% to 32% productivity improvement was achieved by early FreePoint customers through data collection and employee empowerment and engagement. SaaS subscriptions have been purchased and renewed annually by many. As at the end of 2018, customer sites had deployed and connected FreePoint's products in various countries, including the United States, Canada, Mexico, Australia and China.

Specialized Skills and Services

To build and maintain its products, FreePoint employs product engineers and technicians with the requisite skills in hardware (electrical and mechanical) and software development. Currently all of the product development personnel are located at FreePoint's London, Ontario offices. The market for these skills is less competitive in London, Ontario than in major urban centers in Canada and the United States, and there is a steady pipeline of graduates available from programs at Fanshawe College, Western University, the University of Waterloo, and other post-secondary schools within a driveable radius from FreePoint's offices.

Competitive Conditions

FreePoint faces competition in two primary areas. First, there are competitors who provide industrial IoT platforms and generally require customers to take a "roll your own" approach to building a functional application. The largest and most sophisticated customers are able to build solutions based on these platforms, but in FreePoint's experience, most of its target customers lack the in-house expertise to do so, or do not wish to make the significant up-front investment and take on the continuous maintenance and support costs associated with creating and operating a custom in-house solution. There are also competitors who, like FreePoint, provide specific applications to assist manufacturers with measuring capacity utilization. FreePoint believes it has competitive differentiation in several ways:

- ***Actionable Information*** – every ERP and productivity system is designed to derive and deliver useful information, but most of it is only actionable after the fact from a timing perspective or after all data has been collected and analyzed. FreePoint provides actionable information in real-time so users have the ability to make immediate performance improvements.

- ***Information that engages operators*** **–** in addition to providing management information in real time, FreePoint's platform provides performance metrics to machine operators in ways that are meaningful to them. This is often referred to as "gamification" and is believed to be critical to attracting and retaining a higher quality level of younger workers. FreePoint offers patent-pending technology that collects information effectively from value-adding processes and engages value-adding workers.

- ***Simple to use, simple to deploy*** **–** installation of FreePoint's system can be completed by plant personnel or by FreePoint, typically in under 30 minutes. The software is intuitive such that customers are often able to commence using it immediately, thereby putting data into immediate action.

- ***Cost effective*** **–**FreePoint's products are cost effective and offer a more rapid return on investment than an investment in new equipment or a full-scale ERP deployment.

- ***Control, machine and IT agnostic*** **–** most machines, whether manual or automatic and of varying ages, can be connected using FreePoint's technology. FreePoint measures any value-adding work done by a machine on a factory floor without having to connect to the factory's existing IT infrastructure or software systems.

- ***Collects and stores information in open formats*** – FreePoint's platform supports effective and common tools such as Excel, structured query language (SQL) and other common database structures to allow customers to perform their own analysis or integrate data with other applications and systems.

- ***Enhanced analytic and reporting tools*** – by making data easily available in common formats, FreePoint's customers can leverage the platform's built-in reporting and analytic utilities, while also developing their own or utilizing third-party software packages that they are familiar with.

Intangible Properties

FreePoint has two patents pending with respect to methods for calculating, storing and retrieving production information from machines based on specific types of signals. While FreePoint believes these patents will afford significant protection, if granted, from competitors exploiting the same methods, FreePoint's business is not reliant on these patents being granted. FreePoint has a number of trade secrets, including those reduced to practice in its proprietary software, that it believes give it an advantage with respect to developing products to capture, store, calculate and visualize production value, and engage employees to increase uptime and capacity utilization with manufacturing equipment.

Cycles

FreePoint does not experience significant seasonality in its business. It is subject to the general expansion and contraction cycles of the manufacturing industry, primarily discrete manufacturing in the markets it serves. The capital replacement cycle in manufacturing is extremely long and varies from manufacturer to manufacturer.

Economic Dependence

FreePoint's customers are diverse and no single customer accounts for more than 15% of its annual revenue. FreePoint currently sources several hardware components from single suppliers, making it highly dependent upon those suppliers' abilities to timely deliver hardware components when required. If FreePoint were required to source certain components from an alternative supplier, FreePoint could experience a production disruption of several weeks to several months, which, depending on inventory levels at the time of the change, could impact the ability to deliver finished goods to customers on a timely basis, and would have a negative impact on revenue in the time period affected.

Changes to Contracts

FreePoint's ShiftWorx software product is licensed to customers on a subscription basis. Most of these licenses are subscribed for on an annual basis and renew based on current terms and prices at the applicable time of renewal. A small number of larger customers have some leverage to negotiate renewal rates and renewal terms, but FreePoint is unable to predict with accuracy the effect of any such renegotiations in advance.

Employees

As at December 31, 2018, FreePoint and Core employed an aggregate of 38 people.

Foreign Operations

While FreePoint is currently focussed on customers in the North American market, it also has the potential to serve the broader international market. Approximately 65% of its revenue is generated in Canada, 30% from the United States, and 5% from Mexico and other international markets. FreePoint expects this ratio to change significantly as it expands its business. In particular, the United States and Mexico are expected to be significant areas of growth in coming years, to be followed by expansion into Europe and Asia.

Bankruptcy and Similar Procedures

Neither FreePoint nor Core has been subject to any bankruptcy, receivership or similar proceedings, or any voluntary bankruptcy, receivership or similar proceedings, nor are any such proceedings proposed for the current financial year.

Reorganizations

FreePoint has not undertaken any material reorganization or restructuring transaction within the three most recently completed financial years nor is any such reorganization or restructuring transaction proposed for the current financial year.

Social or Environmental Policies

FreePoint has not implemented any social, environmental or human rights policies that are fundamental to its operations.

Three Year History

Over the last three financial years, FreePoint's business has advanced from a development stage company to product verification and commercialization.

On November 30, 2018, FreePoint completed a forward split of the outstanding FreePoint Shares pursuant to which 70,000 new FreePoint Shares were issued in exchange for each old FreePoint Share.

On December 31, 2018, FreePoint acquired all of the issued and outstanding shares of Core, a custom software development firm, for aggregate consideration comprised of: (i) the issuance of an aggregate of 1,680,000 FreePoint Shares at a deemed price of $0.238 per FreePoint Share, (ii) a cash payment of $225,000 (paid), (iii) an amount payable of $175,000 (paid), as a result of which Core became a wholly-owned subsidiary of FreePoint; and (iv) certain purchase price adjustments.

Core is primarily engaged in the business of developing custom software to meet specific customer application needs. Prior to the acquisition, FreePoint had engaged Core to complete a significant project for a large FreePoint customer, based upon FreePoint's ShiftWorx software. As FreePoint engages with larger customers, it expects that there will be increasing demand for specialized configuration and customization of its ShiftWorx software, and it is expected that Core will provide such services, primarily on a time-and-materials or project basis.

Core continues to serve customers in a variety of market segments. By selling and pricing these additional services separately, FreePoint believes its product team will be better able to advance and improve the development of the ShiftWorx product line.

On March 31, 2019, FreePoint also completed the offering of FreePoint Debentures in the aggregate principal amount of $731,000, the terms of which are further described below under the heading "*Description of Securities – Convertible Debentures*".

On April 26, 2019, FreePoint completed a private placement of an aggregate of 250,000 units at a price of $0.40 per unit for gross proceeds of $100,000. Each unit was comprised of one FreePoint Share and one half of one FreePoint Warrant, and with each whole FreePoint Warrant exercisable into one FreePoint Share at a price of $0.60 per FreePoint Share until the date that is 12 months following the Closing.

On May 2, 2019, FreePoint completed a private placement of an aggregate of 1,250,000 units at a price of $0.40 per unit for gross proceeds of $500,000. Each unit was comprised of one FreePoint Share and one half of one FreePoint Warrant, and with each whole FreePoint Warrant exercisable into one FreePoint Share at a price of $0.60 per FreePoint Share until the date that is 12 months following the Closing.

On July 29, 2019, FreePoint obtained the FreePoint Bridge Loan in the principal amount of $250,000 from Leede Jones Gable Inc. The FreePoint Bridge Loan bears interest at the rate of 10.0% per annum and has a maturity date of July 29, 2020, provided that FreePoint may repay any amounts owing thereunder without penalty. It is expected that the FreePoint Bridge Loan will be repaid in connection with the Closing. Pursuant to the terms of the FreePoint Bridge Loan Agreement, FreePoint has also agreed to issue Leede Jones Gable 62,500 FreePoint Shares on receipt of the conditional approval of the CSE for the listing of the Common Shares.

DIVIDEND POLICY

FreePoint has not paid any dividends on the FreePoint Shares and the FreePoint Board does not expect to declare or pay any dividends on the FreePoint Shares in the foreseeable future. Payment of any dividends will be dependent upon FreePoint's future earnings, its financial condition and other factors that the FreePoint Board determines are relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FreePoint's management's discussion and analysis in respect of its business and activities for the fiscal years ended December 31, 2018 and 2017, and for the three months ended March 31, 2019 and 2018 are summarized below. The MD&A summary should be read in conjunction with FreePoint's audited consolidated financial statements for the years ended December 31, 2018 and 2017, and the related notes thereto, and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2019 and 2018, and the related notes thereto, which are attached at Schedule D to this Prospectus.

All of the information presented in the FreePoint MD&A is based on FreePoint's consolidated financial statements described above, which were prepared in accordance with IFRS. All amounts included in the FreePoint financial statements and in the MD&A are expressed in Canadian dollars, unless otherwise indicated.

Results of Operations

The following is a summary of FreePoint's operations for the years ended December 31, 2018 and 2017 and the three months ended March 31, 2019 and 2018:

	Year ended December 31, 2018 ($)	**Year ended December 31, 2017 ($)**	**Three months ended March 31, 2019 ($)**	**Three months ended March 31, 2018 ($)**
Revenue				
Sales	740,167	661,712	626,753	96,267
Cost of sales	(394,490)	(452,338)	(314,148)	(50,673)
Expenses				
Wages, salaries, and consulting fees	1,161,446	406,896	549,721	190,244
Advertising & promotion	142,099	141,049	48,875	38,433
Travel	201,134	91,727	36,902	13,072
Professional fees	154,431	49,058	45,478	18,628
Office and general	125,136	33,649	30,260	6,236
Interest	101,797	14,495	48,635	21,442
Other expenses	76,323	139,639	45,386	64,816
Net (loss) and comprehensive (loss) before write-down	**(1,616,780)**	**(667,139)**	**(805,257)**	**(352,871)**

Year Ended December 31, 2018 as Compared to Year Ended December 31, 2017

Sales and cost of sales were generally consistent as between 2018 and 2017, with the slight increase in sales in 2018 primarily attributable to the acquisition of new customers and the renewal of annual software subscriptions of customers acquired in the prior year, and the slight decrease in cost of sales primarily attributable to higher margins on software renewals as compared to initial sales, which include lower margin hardware as well as software. Cost of sales were primarily comprised of the component and manufacturing cost of hardware products and the cost of operating cloud services to deliver customer software subscriptions.

Total expenses increased materially in 2018, from $667,139 in 2017 to $1,616,780. The increase was primarily attributable to an increase in wages, salaries and consulting fees related to an expansion of headcount to accelerate development of software products to address a broader set of potential customers; an increase in professional fees due to preparation for expansion and the requirements of becoming a public company; an increase in office and general expenses due to moving to larger facilities to accommodate current and anticipated future space needs; and an increase in travel expenses due to pursuing new customers in the United States and other locations outside Canada and, participation in more conferences and events outside Canada. Interest expense increased from $14,495 in 2017 to $101,797 in 2018 due to higher levels of debt to support expansion and address cash requirements.

Three Months Ended March 31, 2019 as Compared to Three Months Ended March 31, 2018

Sales were significantly higher in the first quarter of 2019 as compared to the first quarter of 2018, being $626,753 as compared to $96,267 as a result of higher sales of customization services to customers and the acquisition of Core, with cost of sales as a percentage of total sales being relatively consistent as between the periods. Cost of sales were primarily comprised of hardware, operation of cloud services, and wages, salaries, and benefits related to custom software development.

Total expenses increased to $805,257 in the first quarter of 2019, from $352,871 in the first quarter of 2018. The increase was primarily attributable to an increase in wages, salaries and consulting fees related to the growth in headcount to support the growth of FreePoint's business, an increase in office and general expenses due to costs assumed as a result of the acquisition of Core; and an increase in interest expense due to higher debt levels compared to the prior period. Cash-based compensation of key management personnel increased from $21,000 in the first quarter of 2018, to $96,000 in the first quarter of 2019.

Liquidity and Capital Resources

The following table highlights FreePoint's cash flows for the years ended December 31, 2018 and 2017 and the three months ended March 31, 2019 and March 31, 2018 as compared to 2017:

Net cash provided by (used in):	Year Ended		Three Months Ended	
	December 31, 2018	December 31, 2017	March 31, 2019	March 31, 2018
Operating activities	(1,398,652)	(477,648)	(267,656)	(283,146)
Investing activities	(194,283)	(15,403)	(678)	(5,136)
Financing activities	1,299,098	1,085,377	138,409	589,656
(Decrease) Increase in cash	(293,837)	592,326	(304,925)	301,374

Year Ended December 31, 2018 as Compared to Year Ended December 31, 2017

In the year ended December 31, 2018, FreePoint used cash of $1,389,652 for operating activities, as compared to using cash of $477,648 in the year ended December 31, 2017. In 2018 cash was primarily used for increased overhead and operational expenses, and in 2017 was primarily used for operational expenses.

In the year ended December 31, 2018, FreePoint used cash of $194,283 for investing activities as compared to using cash of $15,403 in the year ended December 31, 2017. Cash from investment activities in 2018 was derived from the acquisition of Core. In 2017, FreePoint primarily used cash for the acquisition of equipment.

In the year ended December 31, 2018, FreePoint obtained cash of $1,299,098 for financing activities, as compared to December 31, 2017 which was $1,085,377 in 2017. The decrease was due to less debt financings during 2018.

Three Months Ended March 31, 2019 as Compared to Three Months Ended March 31, 2018

In the first quarter of 2019, FreePoint used cash of $267,656 for operating activities, as compared to using cash of $283,146 in the same period in 2018. In both periods, cash was primarily used for operational expenses.

In the first quarter of 2019, FreePoint used cash of $678 for investing activities, as compared to $5,136 for the same period in 2018. The decrease was due to reduced expenditures on property, plant and equipment in Q1 2019.

In the first quarter of 2019, financing activities provided cash of $138,409, as compared to providing cash of $589,656 in the first quarter of 2018. The decrease was due to a decrease in financing activity in the current period.

Risk Management and Financial Risks

Capital Management

FreePoint manages its shareholders' equity as capital. Its objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. FreePoint manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. It may attempt to issue new shares or debt. There can be no assurance that FreePoint will be able to obtain debt or equity capital. FreePoint is not currently subject to any externally imposed capital requirements.

Financial Risks

FreePoint's risk exposures and the impact on its financial instruments are summarized below:

Liquidity Risk

FreePoint's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, FreePoint had current assets of $696,669 (December 31, 2018 - $797,060) to settle current liabilities of $1,833,114 (December 31, 2018 - $838,867), resulting in a working capital deficit of $1,136,445 as at March 31, 2019. However, the current liabilities include the value of the conversion feature on the FreePoint Debentures of $458,279 and the current portion of long-term debt related to the FreePoint BDC loans, both of which are expected to be settled in connection with the Closing.

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution and accounts receivable. FreePoint regularly reviews its accounts receivable for amounts it determines are unlikely to be collected.

DESCRIPTION OF SECURITIES

Common Shares

The authorized capital of FreePoint consists of an unlimited number of FreePoint Shares. Each FreePoint Share is equal to every other FreePoint Share with respect to all rights and restrictions. Holders of FreePoint Shares are entitled to one vote per FreePoint Share upon all matters on which FreePoint Shareholders have the right to vote, except meetings at which only holders of a specified class of shares are entitled to vote. The FreePoint Shares do not have pre-emptive rights and are not subject to redemption or retraction provisions, except as otherwise provided in the FreePoint Shareholders' Agreement (as defined below). FreePoint may, if authorized by the FreePoint Board, purchase or otherwise acquire any of the FreePoint Shares at a price and upon the terms determined by the FreePoint Board. Holders of FreePoint Shares are entitled to receive such non-cumulative dividends as may be declared by the FreePoint Board out of funds legally available therefor. In the event of dissolution or winding up of the affairs of FreePoint, holders of the FreePoint Shares then outstanding are entitled to share ratably in all assets of FreePoint remaining after payment of all amounts due to creditors. All FreePoint Shares, when issued, are and will be issued as fully paid and non-assessable shares without liability for further calls or to assessment.

As at the date of this Prospectus, there are 49,200,000 FreePoint Shares outstanding, which is expected to be reduced to 24,600,000 shares following the completion of the FreePoint Consolidation.

All of the holders of FreePoint Shares are party, with FreePoint, to an amended and restated unanimous shareholders agreement made as of November 30, 2017 (the "**FreePoint Shareholders' Agreement**"), which, among other things, restricts the transfer of FreePoint Shares and gives the FreePoint Shareholders pro-rata pre-emptive rights in certain circumstances. If the Amalgamation is approved by the requisite majority of not less than two-thirds of the holders of FreePoint Shares that vote on the Amalgamation, all of the holders of FreePoint Shares are obligated by the FreePoint Shareholders' Agreement to vote in favour of the Amalgamation and are required to tender their FreePoint Shares to V23. The FreePoint Shareholders' Agreement provides that, to the extent permitted by applicable law, all holders of FreePoint Shares have waived their right to dissent and be paid fair value for their FreePoint Shares, including with respect to the Amalgamation. The FreePoint Shareholders' Agreement will terminate in connection with the Closing.

Warrants

As at the date of this Prospectus, there are 1.5 million FreePoint Warrants outstanding, which will be reduced to 750,000 following completion of the FreePoint Consolidation. In addition, it is expected that approximately 159,900 FreePoint Warrants will be issued prior to the Closing as a finder's fee in connection with the December 2018 FreePoint Debenture Financing. Each FreePoint Warrant is exercisable into one FreePoint Share.

Stock Options

As at the date of this Prospectus, there are 4,250,000 FreePoint Options outstanding, which will be reduced to 2,125,000 FreePoint Options following completion of the FreePoint Consolidation. Each FreePoint Option is exercisable into one FreePoint Share.

Convertible Debentures

As at the date of this Prospectus, there are FreePoint Debentures in the aggregate principal amount of $731,000 outstanding. The FreePoint Debentures were issued on March 31, 2019 pursuant to the Debenture Indenture, which was entered into between FreePoint and the Transfer Agent effective as of December 31, 2018. The FreePoint Debentures bear interest at the rate of 8.0% per annum, calculated and payable in cash or in kind (pursuant to which the interest will accrue and be added to the principal amount) on the last business day of each calendar quarter. The FreePoint Debentures are due on December 31, 2020 and are unsecured.

The Debenture Indenture defines a "**Liquidity Event**" as meaning the occurrence of: (a) an investment by a strategic investor for aggregate gross proceeds of at least $1 million; or (b) either of the following which results in the FreePoint Shares (or common shares of the resulting issuer) being listed on a recognized Canadian stock exchange, and (ii) a concurrent financing to raise minimum gross proceeds of at least $5 million: (i) FreePoint completing a bona fide public offering of FreePoint Shares under a prospectus filed with securities regulatory authorities in Canada, or (ii) FreePoint consummating a transaction, including a consolidation, amalgamation, merger, plan of arrangement, reverse takeover, qualifying transaction or any other business combination.

The Debenture Indenture provides that, following a Liquidity Event, the FreePoint Debentures will be convertible at the option of the holder at any time prior to the close of business on the maturity date at a conversion price equal to the lesser of: (i) the price that is a 20% discount to the Liquidity Event Price (as defined in the Debenture Indenture) and (ii) the price determined based on a pre-money value of $15 million (subject to adjustment as provided in the Debenture Indenture). If a Liquidity Event is not completed by September 15, 2019, or such other date as agreed by the parties, the holders of the FreePoint Debentures are entitled to receive approximately 228,500 additional FreePoint Shares on conversion of the FreePoint Debentures.

It is expected that, immediately prior to the Closing, the FreePoint Debentures and all accrued interest thereon up to the date of conversion will be converted into an aggregate of approximately 2,284,375 FreePoint Shares at a deemed price of $0.32 per FreePoint Share, pursuant to the FreePoint Debt Restructuring.

In connection with the issuance of the FreePoint Debentures, FreePoint agreed to issue Echelon Wealth Partners Inc. such number of FreePoint Warrants as is equal to 7.0% of the FreePoint Shares issuable on conversion of the FreePoint Debentures sold to subscribers introduced to FreePoint by Echelon, which is estimated to be up to 159,900 FreePoint Warrants.

Consolidated Capitalization

The following table sets out the share and loan capital of FreePoint as at the dates shown below. The table should be read in conjunction with, and is qualified in its entirety by, FreePoint's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2019:

Designation of Security	Amount Authorized	Outstanding as at March 31, 2019	Outstanding as at the date of this Prospectus	Outstanding after giving effect to FreePoint Consolidation
FreePoint Shares	Unlimited	46,200,000	49,200,000	24,600,000

OPTIONS TO PURCHASE SECURITIES

Outstanding FreePoint Options

The following table sets forth all FreePoint Options as at the date of this Prospectus, all of which will become exercisable into Resulting Issuer Shares following the Closing:

Holders	Number of FreePoint Options	Exercise Price per FreePoint Share	Expiry Date	Estimated Market Value[(1)]
All executive officers and past executive officers of FreePoint as a group (1 person)	840,000[(2)]	$0.238	November 22, 2028	336,000
All other employees and past employees of FreePoint as a group	1,285,000[(3)]	$0.238	November 22, 2028	514,000
TOTAL	**2,125,000**			**850,000**

(1) Calculated by multiplying the number of FreePoint Options by the V23 Financing price of $0.40.

(2) The vesting of these FreePoint Options will be subject to the attainment of various performance-based conditions.

(3) Of these, 50% vest on December 31, 2019, 25% vest on May 31, 2020 and 25% vest on December 31, 2020.

PRIOR SALES

The following table sets forth the dates and the prices at which FreePoint Shares and other FreePoint securities have been sold within the 12 month period prior to the date of this Prospectus:

Date	Number and Type of Security	Issue Price per Security[(1)]	Aggregate Issue Price	Consideration Received
May 2, 2019	1,250,000 FreePoint Shares	$0.40	$500,000	Cash
	625,000 FreePoint Warrants[(2)]	-	-	-
April 26, 2019	250,000 FreePoint Shares	$0.40	$100,000	Cash
	125,000 FreePoint Warrants	-	-	-
December 31, 2018	731 FreePoint Debentures[(3)(4)]	$1,000	$731,000	Cash
December 31, 2018	1,680,000 FreePoint Shares[(5)]	$0.238	$400,000	Issued in consideration for Core acquisition
November 22, 2018	2,125,000 FreePoint Options	$0.238	N/A	N/A

(1) All amounts shown have been adjusted to give effect to the assumed completion of the FreePoint Consolidation. In addition to the securities set forth in this table, FreePoint has agreed to issue Leede Jones Gable 62,500 FreePoint Shares on receipt of the conditional approval of the CSE for the listing of the Common Shares.

(2) These FreePoint Warrants were issued in connection with a unit offering, with each unit comprised of one FreePoint Share and one half of one FreePoint Warrant, each of which is exercisable into one FreePoint Share at a price of $0.60 per FreePoint Share for a period of 12 months following the Closing.

(3) These FreePoint Debentures were issued pursuant to the Debenture Indenture, the terms of which are disclosed above under the heading "*Consolidated Capitalization – Convertible Debentures*".

(4) In connection with the issuance of the FreePoint Debentures, FreePoint agreed to issue Echelon Wealth Partners Inc. such number of FreePoint Warrants as is equal to 7.0% of the FreePoint Shares issuable on conversion of the FreePoint Debentures sold to subscribers introduced to FreePoint by Echelon, which is estimated to be up to 159,900 FreePoint Warrants.

(5) These FreePoint Shares were issued as partial consideration in connection with the acquisition of Core.

Trading Price and Volume

The FreePoint Shares are not listed on any Canadian or foreign stock exchange and are not traded on any Canadian or foreign market.

PRINCIPAL SECURITYHOLDERS

To the knowledge of management of FreePoint, no person or company owns of record or beneficially, or exercises control or direction over, directly or indirectly, of more than 10% of the issued and outstanding FreePoint Shares, except as set out in the table below:

Shareholder Name	Number of Common Shares(1)	Percentage of Class(2)
1865465 Ontario Inc.(3)	5,390,000	21.9
1600889 Ontario Ltd.(4)	4,515,000	18.4

(1) Adjusted to reflect the assumed completion of the FreePoint Consolidation.

(2) Based on 24,600,000 FreePoint Shares outstanding as at the date of this Prospectus, assuming completion of the FreePoint Consolidation.

(3) 1865465 Ontario Inc. is a holding company controlled by E. Paul Hogendoorn, the Chair and a director of FreePoint who served as President from January 25, 2013 to July 8, 2019.

(4) 1600889 Ontario Ltd. is a holding company controlled by Randall Hess, who served as a director of FreePoint from January 25, 2013 to August 13, 2018 and as secretary and treasurer from January 25, 2013 to September 6, 2018.

DIRECTORS AND EXECUTIVE OFFICERS

Certain information with respect to the directors and officers of FreePoint as at the date of this Prospectus is set out in the table below:

Name, Age, Position and Province / Country of Residence	Principal Occupation for Last Five Years	Date of Appointment	FreePoint Shares Beneficially Owned(1)	Percentage of Class(2)
E. Paul Hogendoorn Ontario, Canada *Chair and Director*	President and a director of FreePoint since January 2013.	January 25, 2013	5,390,000(3)	21.9
John Traynor Washington, USA *CEO*	Principal of Jazin since September 2017 and Chief Operating Officer of C-Labs Corporation from March 2014 to September 2017.	November 15, 2018(4)	105,000(5)	*

Name, Age, Position and Province / Country of Residence	Principal Occupation for Last Five Years	Date of Appointment	FreePoint Shares Beneficially Owned[(1)]	Percentage of Class[(2)]
Chris Carmichael Ontario, Canada *CFO and Secretary*	President of CRIS Inc. since September 2009. CEO/CFO/Director of Cardinal Capital Partners Inc. since April 2012. CFO of Leviathan Cannabis Group Inc. from January 2014 to June of 2018, and CFO of RISE Life Science Corp. from January 2016 to March of 2018. CEO and Director of Bucephalus Capital Corp. from January 2014 to February 2018. CFO and Director of Bison Gold Resources Inc. from May 2009 to October 2017.	May 14, 2018	-	-
Bernard (Barney) Lawn *Chief Operating Officer*	CEO of Core from April 1989 to December 2018.	July 8, 2019	840,000	3.4
David Eto British Columbia, Canada *Director*	President of Qumai SA since January 2018; CEO of Naturally Splendid Enterprises Inc. from December 2016 to December 2017; and CEO of BC Dairy Association from July 2011 to November 2016.	October 11, 2018	35,000	*
Richard Kostoff Ontario, Canada *Director*	Co-founder and Chair of Temple Rock Holdings Inc., a private investment company based in Toronto.	February 16, 2017	560,000[(6)]	2.3
Sophear Net Ontario, Canada *Director*	Chief Technology Officer of FreePoint from July 2013 to May 2015, and Project Manager of Market and Business Development at Union Gas from May 2015 until December 2018.	June 22, 2018	560,000	2.3

* Less than 1%.

(1) Adjusted to reflect: (a) the forward split of the FreePoint Shares that occurred on November 30, 2018 pursuant to which 70,000 new FreePoint Shares were issued for each outstanding FreePoint Share; and (b) the assumed completion of the FreePoint Consolidation, which will occur prior to the Closing.

(2) Based on 24,600,000 FreePoint Shares outstanding as at the date of this Prospectus, assuming completion of the FreePoint Consolidation.

(3) All of these FreePoint Shares are registered in the name of 1865465 Ontario Inc., a company controlled by Mr. Hogendoorn.

(4) Mr. Traynor served as the Senior Vice-President of FreePoint from November 15, 2018 until his appointment as CEO on July 8, 2019.

(5) This figure does not include 840,000 FreePoint Options held by Mr. Traynor, each of which is exercisable into one FreePoint Share at a price of $0.238 per FreePoint Share until November 22, 2028.

(6) This figure represents 35,000 FreePoint Shares registered in the name of Mr. Kostoff in his personal capacity, and 525,000 FreePoint Shares registered in the name of Temple Rock Holdings Inc., a company controlled by Mr. Kostoff.

The term of office of the directors expires annually at the time of FreePoint's annual general meeting, and the term of office of the officers expires at the discretion of the FreePoint Board, in each case subject to their earlier resignation or retirement.

It is expected that all of the current directors and officers of the Company will be appointed as directors and/or officers of the Resulting Issuer in connection with the Closing. See "*Information Regarding the Resulting Issuer – Directors and Executive Officers*".

Aggregate Ownership of Securities

The directors and officers of the Company, as a group, directly or indirectly, beneficially own 6,650,000 FreePoint Shares (adjusted to give effect to the assumed completion of the FreePoint Consolidation), representing approximately 27.0% of the issued and outstanding FreePoint Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors, officers or other members of management of the Company has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manger or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director or executive officer of the Company has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulator authority relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No current or proposed director of the Company has, within the past ten years, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manger or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been, and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and behalf of other companies, and situations may arise where directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies of the OBCA.

Experience

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of FreePoint is as follows:

Edwin Paul Hogendoorn

Mr. Hogendoorn, age 61, is a co-founder, Chair and a director of FreePoint. Prior to founding FreePoint in 2013 (which he co-founded with Randall Hess), he co-founded, and held a number of senior executive positions with, numerous ventures over the past 30 years. He founded or co-founded TPI Associates, OES Inc. and Sustainable Environmental Technologies, and is a founding member and past chair of the London Region Manufacturing Council. He oversees product vision, market intelligence, and competitive analysis.

John Traynor

Mr. Traynor, age 54, is the CEO of FreePoint. He is based in Seattle, WA, USA and, as an independent contractor, is responsible for the oversight and integration of functions to support FreePoint's global expansion, including oversight of sales and marketing, product portfolios, financing and business strategy. He previously served as the Senior Vice President of FreePoint. His focus is on instilling operational discipline and enhanced execution capabilities to drive growth outside of Canada and deliver industrial IoT deployments globally. His services to FreePoint are subject to a confidentiality and non-disclosure agreement. Most recently, Mr. Traynor was Chief Operating Officer at C-Labs Corporation, where he was responsible for sales, marketing and product management for its industrial IoT portfolio and orchestrated the acquisition of C-Labs by TRUMPF Group, a leading German industrial automation firm. Prior to C-Labs, he served as Senior Vice President, Products, at Bsquare Corporation (NASDAQ: BSQR) from 2010 to 2014, leading the creation of product and solution portfolios to build smart connected systems for automotive, retail, industrial automation and other markets. Prior to Bsquare, Mr. Traynor was Vice-President Business Products at Palm (acquired by HP, NYSE: HPQ). Before Palm, he spent 16 years at Microsoft (NASDAQ: MSFT), including holding leadership roles in marketing, sales, finance, operations and consulting services in the US and Canada. Mr. Traynor holds a bachelor's degree in finance and economics from King's University College at Western University in London, Canada and a master's degree in business administration from the Schulich School of Business at York University in Toronto.

Chris Carmichael

Mr. Carmichael, age 44, is the CFO and Secretary of FreePoint. He also acts as the president of CRIS Inc. and is a CPA (CGA). CRIS Inc. provides financial reporting, bookkeeping and other services for the Company. Through CRIS Inc., Mr. Carmichael will devote 15% of his time to the business of the Company. For the past 20 years, Mr. Carmichael has acted as the CEO, CFO and/or corporate secretary for a number of TSXV / CSE issuers. Mr. Carmichael is currently acting as the CFO of Cardinal Capital Partners Inc., and has acted as the CFO of Leviathan Cannabis Group Inc. (CSE: EPIC) from January 2014 to June of 2018, and CFO of RISE Life Science Corp. (CSE: RLSC) from January 2016 to March of 2018. Mr. Carmichael also acted as the CEO of Bucephalus Capital Corp. (CSE: BCA) from January 2014 to February 2018, and CFO of Bison Gold Resources Inc. (previously TSXV) from May 2009 to October 2017. Prior to that, Mr. Carmichael acted as the CFO for Stakeholder Gold Corp. (TSXV: SRC) from November 2011 to October 2014, and as the CFO for Fountain Asset Corp. (TSXV: FA) from January of 2006 to August of 2010.

Bernard (Barney) Lawn

Mr. Lawn, age 61, is currently the COO of FreePoint. He had previously served as the CEO of Core for over 29 years before his current appoint after FreePoint's acquisition of Core. Prior to his role with Core, he had acted as Project Manager and Development Centre Manager with the Municipality of Metropolitan Toronto. He studied computer science at Trinity College Dublin.

David Eto

Mr. Eto, age 56, is a director of FreePoint. He also currently acts as a director of Geyser Brands Inc. (formerly Kanzen Capital Corp.), a consumer healthcare company (TSXV: GYSR) and as a member of the Advisory Board of Naturally Splendid Enterprises Ltd. (TSXV: NSP). Prior to his current roles, he served as the CEO of Naturally Splendid from December 2016 to December 2017, and as CEO and a director of Kanzen Capital Corp. from February 2017 to December 2018. He also served as the CEO of the BC Dairy Association from July 2011 to November 2016. Mr. Eto's more than 30 years of experience in the food processing industry include senior corporate positions at corporations such as Premium Brands Holdings Corporation (TSX: PBH). Mr. Eto holds a bachelor's of agriculture from the University of British Columbia.

Richard Kostoff

Mr. Kostoff, age 69, a director of FreePoint, is a co-founder and chair of Temple Rock Holdings Inc., a private investment company based in Toronto (which is also an investor in FreePoint), and is also principal at Templar

Investments Ltd. Mr. Kostoff was formerly Deputy Chair of TD Securities Inc., a past board member of the Ontario Financing Authority, and former Chair of the OCADU Foundation. He currently serves as a member of the Independent Review Committee for Fidelity Investments Canada. Additional appointments include chair of SmoothPay Inc. and the boards of Healthcare 365 and Novari Health. Mr. Kostoff is an Honorary Life Member of the Toronto Bond Traders Association and a past recipient of the Women in Capital Markets Award for Leadership.

Sophear Net

Ms. Net, age 34, is currently a director of FreePoint, and previously served as the Chief Technology Officer of FreePoint from July 2013 until May 2015. She has 13 years of experience in the technology industry and a background in Electrical Engineering. She currently acts as the Project Manager, Distribution Business Development, at Union Gas, focused on distribution business development and related engineering services. Previously she held engineering roles at Avnet Electronics and OES. She has a bachelor of applied science degree in electrical engineering from the University of Windsor and a master of business administration degree in business analytics from the University of Fredericton. She is also a member of both the Professional Engineers of Ontario and Association of Energy Engineers.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

FreePoint does not have a formal compensation program. The FreePoint Board meets to discuss and determine management compensation without reference to formal objectives, criteria or analysis. The general objectives of FreePoint's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other companies in a similar industry to enable FreePoint to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that FreePoint is under by virtue of the fact that it is a technology development company without a history of earnings. The FreePoint Compensation Committee assists the Board in fulfilling its obligations relating to compensation issues, and makes recommendations to the Board. See *"Audit Committee and Corporate Governance – Compensation"*.

The FreePoint Board, as a whole, and the Compensation Committee, ensure that total compensation paid to all NEOs is fair and reasonable. A NEO includes: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers as at the end of the most recently completed financial year ended December 31, 2018 and whose total compensation was more than $150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of FreePoint at the end of the most recently completed financial year. The FreePoint Board relies on the experience of its members as officers and directors with other similar technology companies in assessing compensation levels. Based on the foregoing definition, during the last completed fiscal year of FreePoint, FreePoint had two NEOs, namely, E. Paul Hogendoorn and Chris Carmichael.

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of FreePoint.

FreePoint considers the granting of FreePoint Options to be a significant component of executive compensation as it allows FreePoint to reward each NEOs efforts to increase value for shareholders without requiring FreePoint to use cash from its treasury. Options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Option grants, including vesting provisions and exercise prices, are governed by the terms of the Option Plan.

FreePoint has no long-term incentive plans other than the FreePoint Plan. FreePoint's directors, officers, employees and certain consultants are entitled to participate in the FreePoint Plan. The FreePoint Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The FreePoint Board believes that the FreePoint Plan aligns the interests of the NEO and the FreePoint Board with the FreePoint Shareholders by linking a component of executive compensation to the longer term performance of the FreePoint Shares.

FreePoint Options are granted by the FreePoint Board. In monitoring or adjusting allotments, the FreePoint Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous grants and the objectives set for the NEOs and the FreePoint Board. The number of FreePoint Options granted is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the FreePoint Board also makes the following determinations: (i) parties who are entitled to participate in the FreePoint Plan; (ii) the exercise price for each FreePoint Option granted; (iii) the date on which each is granted; (iv) the vesting period, if any; (v) the other material terms and conditions of each grant; and (vi) any re-pricing or amendment to a previous FreePoint Option grant.

The FreePoint Board makes these determinations subject to and in accordance with the provisions of the FreePoint Plan. The FreePoint Board reviews and approves grants of options on an annual basis and periodically during a financial year.

The FreePoint Board has not directly considered the implications of the risks associated with its compensation policies and practices, nor does it have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person.

FreePoint does not have any form of pension plan that provides for payments or benefits to NEOs at, following, or in connection with retirement, nor does FreePoint have any form of deferred compensation plan.

Summary Compensation

Director and Named Executive Officer Compensation

Other than as set out in the table below, there was no direct or indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by FreePoint to any NEO or director of FreePoint, in any capacity, including, for greater certainty, pursuant to any plan or non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded granted, given or otherwise provided to the NEO or director for services provided, or for services to be provided, directly or indirectly, to FreePoint, for each of FreePoint's two most recently completed financial years:

Name and Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
E. Paul Hogendoorn *Chair, Director and former CEO*[(1)]	2018	84,000	-	-	-	1,930	85,930
	2017	42,000	-	-	-	-	42,000
John Traynor *CEO and former Senior Vice-President*[(3)]	2018	62,500[(2)]	-	-	-	-	62,500[(2)]
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Chris Carmichael *CFO and Secretary*[(4)]	2018	-[(5)]	-	-	-	-	-
	2017	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Hogendoorn was appointed as a director on January 25, 2013, and as the Chair of the Board on July 8, 2019. He served as CEO of the Company from January 25, 2013 to July 8, 2019.

(2) Mr. Traynor provides services through his wholly-owned company, Jazin, and all fees noted above are paid to Jazin.

(3) Mr. Traynor served as Senior Vice President from November 15, 2018 until his appointment as CEO on July 8, 2019.

(4) Mr. Carmichael was appointed as CFO on May 14, 2018, and as corporate secretary on July 8, 2019.

(5) Pursuant to an unwritten arrangement, FreePoint has agreed to pay Mr. Carmichael compensation totaling $20,000 in relation to services performed relating to the filing of the Prospectus, which may be settled by FreePoint by a cash payment or the issuance of units of FreePoint at a deemed price of $0.40 per unit (on a post-FreePoint Consolidation basis), with each unit to be comprised of one FreePoint Share and one-half of one FreePoint Warrant, and with each whole FreePoint Warrant to be exercisable into one FreePoint Share at an exercise price of $0.60 for 12 months from the date of issuance.

Stock Option Plan

On November 22, 2018, FreePoint adopted the FreePoint Plan. The purpose of the FreePoint Plan is to advance the interests of FreePoint by encouraging its directors, officers, employees, management company employees and consultants, and its subsidiaries and Affiliates, if any, to acquire FreePoint Shares, thereby increasing their proprietary interest in FreePoint, encouraging them to remain associated with FreePoint and furnishing them with additional incentive in their efforts on behalf of FreePoint in the conduct of its affairs. As at the date of this Prospectus, the FreePoint Plan has not been approved by the FreePoint Shareholders.

The FreePoint Plan is administered by the FreePoint Board. The Board has the power and authority to determine the individuals to whom awards will be granted, and the term, amount, exercise price, vesting provisions and other relevant terms of such awards, and to construe and interpret the terms of the FreePoint Plan and outstanding awards.

The Board may from time to time, subject to applicable law and to the prior approval, if required, of either the shareholders, any regulatory body having authority over FreePoint or the FreePoint Plan, suspend, terminate or discontinue the FreePoint Plan at any time, or amend or revise the terms of the FreePoint Plan or of any option granted under the FreePoint Plan and the option agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance will in any manner adversely affect any option previously granted to a grantee under the FreePoint Plan without the consent of that grantee.

Directors, officers, employees and consultants of FreePoint and its subsidiaries are eligible to receive award grants under the FreePoint Plan.

Under the FreePoint Plan, the maximum aggregate number of FreePoint Shares reserved and available for issuance is equal to 10% of the total number of issued and outstanding FreePoint Shares.

The number of FreePoint Shares which may be issuable under the FreePoint Plan and all of FreePoint's other previously established or proposed share compensation arrangements within a one year period: (a) to any one optionee will not exceed 5% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis, unless FreePoint has obtained disinterested shareholder approval; (b) to any one consultant will not exceed 2% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis; and (c) to all eligible Insiders who undertake investor relations activities will not exceed 2% in the aggregate of the total number of issued and outstanding shares on the date of grant on a non-diluted basis.

FreePoint Options may be exercisable over periods of up to 10 years as determined by the Board at the time of grant. They are non-transferable and non-assignable.

The FreePoint Board, subject to the policies of the any stock exchange on which the FreePoint Shares may be listed as at an applicable time, may determine and impose terms upon which options will vest. In the event that vesting requirements are imposed by the FreePoint Board with respect to any FreePoint Option grant, such FreePoint Options cannot be exercised until they have vested.

Stock Options and Other Compensation Securities

Other than as set out in the table below, FreePoint did not grant or issue any compensation securities to any director or NEO of FreePoint or any subsidiary thereof in the most recently completed financial year for services provided or to be provided, directly or indirectly, to FreePoint or any such subsidiary:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
John Traynor *CEO and former Senior VP*	Stock Options(1)	420,000	November 22, 2018	$0.238	N/A	N/A	November 22, 2028
	Stock Options(2)	420,000	November 22, 2018	$0.238	N/A	N/A	November 22, 2028
Chris Carmichael *CFO and Secretary*	N/A	N/A(3)	N/A	N/A	N/A	N/A	N/A
Richard Kostoff *Director*	Common Shares	70,000	June 6, 2018	(4)	–	–	–
Thomas O'Brien *Former Director*	Common Shares	70,000	June 6, 2018	(4)	–	–	–

(1) These FreePoint Options will vest upon the occurrence of any of the following events: (a) FreePoint closing a financing round of at least $2,000,000, (b) FreePoint achieving an initial public offering, or (c) another financial milestone as mutually agreed upon between Mr. Traynor and FreePoint due to changes in business circumstances. Following the Closing, these FreePoint Options will vest.

(2) These FreePoint Options vested on June 30, 2019.

(3) Pursuant to an unwritten arrangement, FreePoint has agreed to pay Mr. Carmichael compensation totaling $20,000 in relation to services performed relating to the filing of the Prospectus, which may be settled by FreePoint by a cash payment or the issuance of units of FreePoint at a deemed price of $0.40 per unit (on a post-FreePoint Consolidation basis), with each unit to be comprised of one FreePoint Share and one-half of one FreePoint Warrant, and with each whole FreePoint Warrant to be exercisable into one FreePoint Share at an exercise price of $0.60 for 12 months from the date of issuance.

(4) These FreePoint Shares were issued for nominal consideration of less than $0.01 per FreePoint Share pursuant to the exercise of securities granted under a previous FreePoint employee stock option plan.

See "*Options to Purchase Securities*" for a summary of the FreePoint Plan**.** As at the date of this Prospectus, FreePoint does not have any share-based award plans for its NEOs or directors.

Employment, Consulting and Management Agreements

Effective June 13, 2018, FreePoint entered into a consulting and services agreement with Jazin, a company wholly-owned by John Traynor, pursuant to which Jazin provides operational and business expertise to FreePoint through the provision of Mr. Traynor's services as Senior Vice-President of FreePoint. The agreement provides for the payment of a monthly service fee of $12,500 to Jazin.

Pursuant to an unwritten arrangement, FreePoint has agreed to pay Mr. Carmichael compensation totaling $20,000 in relation to services performed relating to the filing of the Prospectus, which may be settled by FreePoint by a cash payment or the issuance of units of FreePoint at a deemed price of $0.40 per unit (on a post-FreePoint Consolidation basis), with each unit to be comprised of one FreePoint Share and one-half of one FreePoint Warrant, and with each whole FreePoint Warrant to be exercisable into one FreePoint Share at an exercise price of $0.60 for 12 months from the date of issuance. For the remainder of 2019, Mr. Carmichael is entitled to compensation of $5,000 per month.

Pursuant to the terms of an employment agreement dated June 30, 2019, FreePoint has agreed to pay Mr. Hogendoorn $150,000 per year, payable monthly in arrears, for the provision of services as Founder and Chairman of FreePoint. The employment agreement has a term of two years unless otherwise terminated. Mr. Hogendoorn may terminate his employment upon providing three months' written notice.

Pursuant to the terms of an employment agreement dated December 31, 2018, FreePoint has agreed to pay Mr. Lawn $150,000 per year, payable monthly in arrears, for the provision of services as Chief Operating Officer of FreePoint.

The employment agreement has a term of two years unless otherwise terminated. Mr. Lawn may terminate his employment upon providing three months' written notice.

No other employment, consulting, management or other similar agreement exists in respect of the other directors and NEOs.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee Charter

The FreePoint Audit Committee Charter is attached hereto as Schedule "A". It is expected that this will be adopted as the Audit Committee Charter of the Resulting Issuer in connection with the Closing.

Composition of the Audit Committee

The members of the Audit Committee are David Eto and E. Paul Hogendoorn and Sophear Net. Mr. Eto and Ms. Net are "independent" as contemplated in NI 52-110, meaning that they have no direct or indirect material relationship with FreePoint. Mr. Hogendoorn is not independent as he is a co-founder, Chair and controlling shareholder of FreePoint.

All members of the Audit Committee are "financially literate", meaning each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by FreePoint.

Relevant Education and Experience

All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of the member's duties as a member of the Audit Committee can be found under the heading "*Directors and Executive Officers – Biographies*".

Each member of the Audit Committee has adequate education and experience that would provide the member with:

1. an understanding of the accounting principles used by FreePoint to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

2. 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 FreePoint's financial statements, or experience actively supervising individuals engaged in such activities; and

3. an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of FreePoint's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of FreePoint's most recently completed financial year has FreePoint relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits an issuer to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval of Policies and Procedures

All services to be performed by the independent auditor of FreePoint must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any *de minimis* non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

At no time since the commencement of FreePoint's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the FreePoint Board.

The Audit Committee Charter sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of audit and non-audit services. The fees billed by FreePoint's external auditor in the last two fiscal years are set out in the table below.

	Fiscal Year Ended December 31, 2018	**Fiscal Year Ended December 31, 2017**
Audit fees	$47,250	$31,500
Audit-related fees	$12,863	-
Tax fees	-	-
All other fees	-	-
Total:	**$60,113**	**$31,500**

Exemption

FreePoint is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2018. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of FreePoint. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 establishes corporate governance guidelines which apply to all public companies. FreePoint has reviewed its own corporate governance practices in light of these guidelines. In certain cases, FreePoint's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for FreePoint at its current stage of development and therefore these guidelines have not been adopted. FreePoint will continue to review and implement corporate governance guidelines as the business of FreePoint progresses and becomes more active in operations. NI 58-101 mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of FreePoint and to act in the best interests of FreePoint. The Board acts in accordance with the OBCA; FreePoint's articles and bylaws; the FreePoint Shareholders' Agreement; and other applicable laws and policies.

The Board approves all significant decisions that affect FreePoint before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in FreePoint's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews FreePoint's business and implementation of appropriate systems to manage any associated risks, communications with shareholders and the financial community, and the integrity of FreePoint's internal control and management information systems. The Board also monitors FreePoint's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with FreePoint's external auditor.

The Board is responsible for appointing the CEO and CFO and senior management. The Board is also tasked with monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by management.

The Board, through its Audit Committee, examines the effectiveness of FreePoint's internal control processes and management information systems. The Board consults with the internal auditor and management of FreePoint to ensure the integrity of these systems.

The Board is responsible for determining whether or not each director is an independent director. The Board consists of four directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. David Eto, Richard Kostoff and Sophear Net are independent directors. Paul Hogendoorn is not independent because he is a co-founder, Chair and a significant shareholder of FreePoint. Directors are considered to be independent if they have no direct or indirect material relationship with FreePoint. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Directorships

Other than David Eto, who currently sits as a director of Geyser Brands Inc., a company listed on the TSX Venture Exchange, none of the other directors of FreePoint are currently directors of any other reporting issuer.

Orientation and Continuing Education

The Board consists of directors who are familiar with FreePoint's industry or who bring particular expertise to the Board from their professional experience. When new directors are appointed, they receive an orientation, commensurate with their previous experience, on FreePoint's properties, business, technology and industry and on the responsibilities of directors. The Nomination Committee is responsible for ensuring that new directors are provided with such orientation programs.

The Board ensures that each director is up-to-date with current information regarding FreePoint's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and FreePoint's auditor.

Ethical Business Conduct

As at the date of this Prospectus, the FreePoint Board has not yet adopted a Code of Conduct. The Board has found that the fiduciary duties placed on individual directors by FreePoint's governing corporate legislation and common law, as well as the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of FreePoint. It is expected that a Code of Conduct will be adopted by the Resulting Issuer following the Closing.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of FreePoint, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction: (i) relates primarily to their remuneration as a director, officer, employee or agent of FreePoint or an Affiliate of FreePoint; (ii) is for indemnity or insurance for the benefit of the director in connection with FreePoint; or (iii) is with an Affiliate of FreePoint. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to FreePoint at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to FreePoint for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to FreePoint and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Nomination Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to FreePoint, the ability to devote the time required, shown support for FreePoint's strategic objectives, and a willingness to serve.

The Nomination Committee currently consists of David Eto (Chair) and E. Paul Hogendoorn. When considering the composition of the Board and evaluating potential nominees, the Nomination Committee may: (i) consider what competencies and skills the Board, as a whole, should possess; (ii) assess what competencies and skills each existing director possesses; and (iii) recommend to the Board the necessary and desirable competencies of directors, taking into account FreePoint's strategic direction and changing circumstances and needs. As at the date of this Prospectus, a formal Nominating Committee Charter has not been adopted, but it is expected that one will be adopted by the Resulting Issuer following the Closing.

Compensation

To date, FreePoint has not paid any compensation to its independent directors. The Board decides the compensation of FreePoint's officers based on industry standards and FreePoint's financial situation with assistance and recommendations from the Compensation Committee. The Compensation Committee currently consists of Sophear Net (Chair) and Richard Kostoff. As at the date of this Prospectus, a formal Compensation Committee Charter has not been adopted, but it is expected that one will be adopted by the Resulting Issuer following the Closing.

Other Board Committees

Other than the Audit Committee, the Nomination Committee and the Compensation Committee, the FreePoint Board currently has no other committees.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

INFORMATION REGARDING THE RESULTING ISSUER

The Resulting Issuer is expected to be a reporting issuer in the Provinces of Ontario and British Columbia. V23 and FreePoint are currently seeking to have the Resulting Issuer Shares listed and posted for trading on the CSE, however there is no guarantee that the Listing will be approved or completed.

CORPORATE STRUCTURE

The following chart shows the corporate relationship of the Resulting Issuer and its subsidiaries, and the governing jurisdiction of each such, immediately following completion of the Amalgamation:

DESCRIPTION OF THE BUSINESS

Overview

Following the Amalgamation, the Resulting Issuer will, through the operations of Amalco, carry on the business of FreePoint. See "*Information Regarding FreePoint – Description of the Business*" for a more detailed discussion of the business of FreePoint.

Available Funds

For information regarding the expected funds that will be available to the Resulting Issuer following the Closing, and the expected uses thereof, see "*Information Regarding V23 – Available Funds*".

CONSOLIDATED CAPITALIZATION

Authorized Share Capital

Following completion of the Amalgamation, the authorized capital of the Resulting Issuer will consist of an unlimited number of Common Shares, sometimes referred to herein as "**Resulting Issuer Shares**". The holders of the Resulting Issuer Shares will be entitled to receive dividends ratably, if, as and when declared by the Board, will be entitled to one vote per share at all meetings of shareholders, and will be entitled, on liquidation, dissolution or winding-up, to participate ratably in any distribution of assets of the Resulting Issuer after payment of all creditors. See "*Information Regarding V23 – Description of Securities – Common Shares*".

Issued Share Capital

It is expected that there will be approximately 41.7 million issued and outstanding Resulting Issuer Shares immediately following the Effective Time on an undiluted basis, assuming completion of the V23 Financing and completion of the Consolidations. The following table sets out the approximate expected fully-diluted share capital of the Resulting Issuer following the Closing:

Description of Security	Number
Common Shares of V23 outstanding as at the date of this Prospectus	3,715,000
Exchange Shares	26,946,875[(1)]
Common Shares issuable on conversion of Subscription Receipts	10,000,000
Common Shares issued as a finder's fee in connection with the Transaction	1,000,000
Common Shares issuable on exercise of Exchange Options	2,125,000
Common Shares issuable on exercise of Exchange Warrants	909,900
Common Shares issuable on exercise of V23 Warrants underlying Subscription Receipts	5,000,000
Fully-Diluted Total	**49,696,775**

(1) Assuming the completion of the FreePoint Debt Restructuring and the issuance of 62,500 FreePoint Shares to Leede Jones Gable in accordance with the FreePoint Bridge Loan Agreement. Excludes approximately 228,500 FreePoint Shares that may be issuable to the holders of the FreePoint Debentures if a Liquidity Event (as described in the FreePoint Debenture Indenture) is not completed by September 15, 2019.

Stock Option Plan

The terms of options on Resulting Issuer Shares that will be issued and outstanding immediately following the Effective Time are set out below.

Number of Common Shares Issuable	Exercise Price	Expiry Date
2,125,000	$0.238	November 22, 2028

The Resulting Issuer Board may grant options from time to time after the Closing in accordance with the FreePoint Plan, and applicable securities regulatory and Exchange requirements.

Warrants

Immediately following the Effective Time, it is anticipated that the only warrants that will be outstanding will be the Exchange Warrants issued by V23 to the holders of FreePoint Warrants and the V23 Warrants to be issued in connection with the V23 Financing. The expected terms of the Exchange Warrants that will be issued and outstanding immediately following the Effective Time are set out below.

Number of Common Shares Issuable	Exercise Price	Expiry Date
5,750,000	$0.60	12 months from the Closing.
159,900	$0.32	12 months from the Closing.

DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL SHAREHOLDERS

Principal Shareholders

The following table sets out information regarding shareholders that are expected to beneficially own or exercise control or direction over, directly or indirectly, more than 10% of the outstanding voting securities of the Resulting Issuer, following the Closing:

Shareholder Name	Number of Common Shares(1)	Percentage of Class(2)
1865465 Ontario Ltd.	5,390,000(3)	21.9
1600889 Ontario Ltd.	4,515,000(4)	18.4

(1) Adjusted to reflect the assumed completion of the FreePoint Consolidation.

(2) Based on 41,661,875 Resulting Issuer Shares expected to be outstanding, on an undiluted basis, following the Closing, assuming completion of the Consolidations, the FreePoint Debt Restructuring and the V23 Financing.

(3) 1865465 Ontario Ltd. is a holding company controlled by E. Paul Hogendoorn, a co-founder and Chair of the Board of FreePoint.

(4) 1600889 Ontario Ltd. is a company controlled by Randall Hess, a co-founder and former officer and director of FreePoint.

Directors and Executive Officers

At the Closing, it is expected that all of the directors and officers of V23 will be replaced by nominees of FreePoint. The following table sets out the name, province and country of residence, position or office to be held, the principal occupation during the past five years, and the anticipated number of Resulting Issuer Shares expected to be held immediately following the Closing for each proposed director and officer of the Resulting Issuer:

Name, Age, Position and Province / Country of Residence	Principal Occupation for Last Five Years	Date of Appointment	FreePoint Shares Beneficially Owned	Percentage of Class(1)
E. Paul Hogendoorn Ontario, Canada *Chair and Director*	President and a director of FreePoint since 2013.	January 25, 2013	5,390,000(2)	13.0
John Traynor Washington, USA *CEO*	Principal of Jazin since September 2017 and Chief Operating Officer of C-Labs Corporation from March 2014 to September 2017.	July 8, 2019	105,000(3)	*
Chris Carmichael Ontario, Canada *CFO and Secretary*	President of CRIS Inc. since September 2009.	May 14, 2018	-	-
Bernard (Barney) Lawn Ontario, Canada *Chief Operating Officer*	President and CEO of Core from April 1989 to December 2018.	July 8, 2019	840,000	2.0
David Eto British Columbia, Canada *Director*	President of Qumai SA since January 2018, CEO of Naturally Splendid Enterprises Inc. from December 2016 to December 2017, and CEO of BC Dairy Association from July 2011 to November 2016.	October 11, 2018	35,000	*
David Gurnham Ontario, Canada *Director*	CPA and partner at Deloitte LLP for over 26 years until July, 2016.	To be appointed at the Closing	-	-
Richard Kostoff Ontario, Canada *Director*	Co-founder and Chair of Temple Rock Holdings Inc., a private investment company based in Toronto.	February 16, 2017	560,000(4)	1.3
Sophear Net Ontario, Canada *Director*	Chief Technology Officer, of FreePoint from July, 2013 to May 2015, and Project Manager of Market and Business Development, at Union Gas from May 2015 until December 2018.	June 22, 2018	560,000	1.3

* Less than 1%.

(1) Based on 41,661,875 Resulting Issuer Shares expected to be outstanding, on an undiluted basis, following the Closing, assuming completion of the Consolidations, the FreePoint Debt Restructuring and the V23 Financing.

(2) All of these Resulting Issuer Share are expected to be registered in the name of 1865465 Ontario Inc., a company controlled by Mr. Hogendoorn.

(3) This figure does not include 840,000 Exchange Options to be granted to Mr. Traynor in connection with the Closing, each of which will be exercisable into one Resulting Issuer Share at a price of $0.238 per Resulting Issuer Share until November 22, 2028.

(4) 35,000 of these Resulting Shares are expected to be registered in the name of Mr. Kostoff and 525,000 are expected to be registered in the name of Temple Rock Holdings, Inc., a company controlled by Mr. Kostoff.

It is anticipated that, as at the Effective Time, the directors and officers of the Resulting Issuer will beneficially own or control or direct, directly or indirectly, in the aggregate 7,490,000 Resulting Issuer Shares on an undiluted basis, representing approximately 18.0% of the issued and outstanding Resulting Issuer Shares on an undiluted basis.

Other Reporting Issuers

Other than David Eto, who currently sits as a director of Geyser Brands Inc., a company listed on the TSX Venture Exchange, none of the other directors of FreePoint are currently directors of any other reporting issuer.

Corporate Cease Trade Orders, Corporate and Individual Bankruptcies and Insolvencies

To the knowledge of FreePoint and V23, none of the proposed directors or officers of the Resulting Issuer is, at the date of this Prospectus, or has been, within ten years before the date of this Prospectus, a director, CEO or CFO of any company (including V23 or FreePoint) that,

(a) was the subject of a cease trade or similar 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, and that was issued while the proposed director was acting in the capacity of director, CEO or CFO; or

(b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of director, CEO or CFO.

To the knowledge of FreePoint and V23, none of the foregoing proposed directors or officers of the Resulting Issuer (a) is, at the date of this Prospectus, or has been, within ten years before the date of this Prospectus, a director or executive officer of any company (including V23 or FreePoint), 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 ten 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 proposed director.

Penalties and Sanctions

To the knowledge of FreePoint and V23, no proposed director or officer of the Resulting Issuer is or 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 securityholder.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

It is anticipated that the Resulting Issuer will adopt the compensation principles of FreePoint following the Closing, and that the Resulting Issuer Board will appoint a compensation committee which will be responsible for determining all forms of compensation to be granted to the proposed Named Executive Officers and directors of the Resulting Issuer in the future, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Resulting Issuer, to ensure such arrangements reflect the responsibilities and risks associated with each position. Notwithstanding the foregoing, there are no immediate plans to amend any of the terms of the existing employment / consulting agreements of the current directors and officers of FreePoint in connection with the Closing. For a description of these terms, see "*Information Regarding FreePoint – Executive Compensation*".

Option-Based Awards of NEOs of the Resulting Issuer

It is expected that the terms of the Resulting Issuer's Option Plan will be substantially similar to those of the FreePoint Plan. The Resulting Issuer Board may amend the Option Plan from time to time in accordance with applicable securities and CSE regulations, subject to any necessary shareholder approvals. See "*Information Regarding FreePoint - Stock Option Plan*".

Pension Plan Benefits

It is not anticipated that the Resulting Issuer will, as of the Closing or in the foreseeable future, have any pension plans that provide for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the Named Executive Officers or directors of the Resulting Issuer.

Termination and Change of Control Benefits

It is not anticipated that there will, as of the Closing, be any contracts, agreements, plans or arrangements that provide for payments to the Named Executive Officers of the Resulting Issuer at, following, or in connection with, any termination, resignation, retirement, change in control of the Resulting Issuer or change in their responsibilities, other than as provided in "*Information Regarding FreePoint – Executive Compensation*".

Material Factors Necessary to Understand Director Compensation

It is expected that the Resulting Issuer will pay $4,000 annually to each independent director as compensation for attending meetings of the directors, meetings of the Resulting Issuer committees of the Board or meetings of the shareholders of the Resulting Issuer. It is anticipated that the directors of the Resulting Issuer will be eligible to be granted Options under the Option Plan, as further described herein.

Equity Compensation Plan Information

The following table sets out information proposed to be in effect as at the Closing with respect to the Option Plan, which is expected to be the only equity compensation plan of the Resulting Issuer at such time. The Option Plan is expected to be the same as the FreePoint Plan, the terms of which are described under "*Information Regarding FreePoint - Stock Option Plan*".

Name, Age, Position and Municipality of Residence	Number of Securities Issuable Upon Exercise of Outstanding Options	Weighted-average Exercise Price	Number of Securities Available for Future Issuance(1)
Equity compensation plans approved by securityholders	-	-	-
Equity compensation plans not approved by securityholders(2)	2,125,000	$0.238	2,034,938
Total	**2,125,000**	**$0.238**	**2,034,938**

(1) Based on 41,661,875 Resulting Issuer Shares expected to be outstanding as at the Closing on an undiluted basis.

(2) It is expected that the Option Plan will be submitted to the Company's shareholders for approval prior to the Closing.

Indebtedness of Directors and Officers

No existing or proposed director or officer of the Resulting Issuer or any Associate thereof is indebted to the Resulting Issuer any subsidiary thereof.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO TRANSFER RESTRICTIONS

Currently, none of the Common Shares are subject to any escrow arrangements. In accordance with the CSE Policies and NP 46-201, it is expected that, in connection with the Closing, FreePoint will enter into the Escrow Agreement with the Escrow Agent and each director, officer and other insider of the Resulting Issuer, pursuant to which each of such insiders will agree to have all of their Common Shares (being, the "**Escrow Securities**") deposited into escrow in accordance with the terms of the Escrow Agreement. The following table summarizes the Escrow Securities:

Designation of Class	Number of Escrow Securities	Percentage of Class(1)
Common Shares	12,390,000	29.8%

(1) Based on 41,661,875 Common Shares expected to be issued and outstanding, on an undiluted basis, immediately following the Closing, assuming completion of the Consolidations, the FreePoint Debt Restructuring and the V23 Financing.

The Escrow Securities are expected to be released in accordance with the following release schedule under NP 46-201 because, on the Listing Date, the Resulting Issuer will be an "emerging issuer" (as defined in NP 46-201):

On the Listing Date	10% of the Escrow Securities
6 months after the Listing Date	15% of the Escrow Securities
12 months after the Listing Date	15% of the Escrow Securities
18 months after the Listing Date	15% of the Escrow Securities
24 months after the Listing Date	15% of the Escrow Securities
30 months after the Listing Date	15% of the Escrow Securities
36 months after the Listing Date	15% of the Escrow Securities

All the Escrow Securities are subject to the direction and determination of the CSE. Specifically, the Escrow Securities may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the CSE.

If, within 18 months of the Listing Date, the Resulting Issuer meets the "established issuer" criteria, as set out in NP 46-201, the Escrow Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario, that number of Escrow Securities that would have been eligible for release from escrow if the Resulting Issuer had been an established issuer on the Listing Date will be immediately released from escrow. The remaining Escrow Securities would be released in accordance with the time-release provisions for established issuers, with all Escrow Securities being released 18 months from the Listing Date.

Escrow Securities will not be transferable by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrow Securities may: (a) pledge, mortgage or charge the Escrow Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the Escrow Agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrow Securities may be transferred within escrow to: (a) subject to approval of the Board, an individual who is an existing or newly appointed director or senior officer of the Resulting Issuer or of a material operating subsidiary of the Resulting Issuer; (b) subject to the approval of the Board, a person that before the proposed transfer holds more than 20% of the voting rights attached to the Resulting Issuer's outstanding securities; (c) subject to the approval of the Board, a person that after the proposed transfer will hold more than 10% of the voting rights attached to the Resulting Issuer's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Resulting Issuer or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of Escrow Securities, the holder's Escrow Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of Escrow Securities, all Escrow Securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a RRSP, RRIF or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrow Securities pursuant to a share exchange, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, will be permitted. Escrow Securities subject to a share exchange will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a Related Person (as defined in the CSE Policies) of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

SELECTED PRO FORMA FINANCIAL INFORMATION REGARDING THE RESULTING ISSUER

The following table sets out certain selected historical financial information for each of V23 and FreePoint as well as unaudited pro forma financial information for the Resulting Issuer after giving effect to the Transaction. V23 has a financial year ending March 31 and FreePoint has a financial year ending December 31.

The following information should be read in conjunction with, and is qualified by, the contents of the unaudited V23 pro forma consolidated financial statements and the notes thereto, which were based on the audited annual financial statements of V23 for the financial year ended March 31, 2019 attached as Schedule E to this Prospectus, and the unaudited condensed consolidated interim financial statements of FreePoint for the three months ended March 31, 2019, and are attached as Schedule D to this Prospectus.

	V23 (audited) as at March 31, 2019 ($)	**FreePoint (unaudited) as at March 31, 2019 ($)**	**Pro Forma Adjustments (unaudited) ($)**	**Resulting Issuer Pro Forma (unaudited) as at March 31, 2019 ($)**
Current assets	168,313	696,669	3,808,441	4,673,423
Total assets	168,313	804,310	3,808,441	4,781,064
Current liabilities	23,126	1,833,114	(1,186,874)	669,366
Total liabilities	23,126	2,271,987	(1,598,849)	696,264
Shareholders' equity	145,187	(1,467,677)	5,407,290	4,084,800

In connection with the Closing, it is expected that the financial year end of the Resulting Issuer will continue to be March 31, rather than being deemed to be changed to December 31, being FreePoint's current financial year end. In connection with the Closing, FreePoint's year end will be changed to March 31.

AUDITORS OF THE RESULTING ISSUER

Effective as of the Closing, MNP LLP, at their Mississauga, Ontario office, being the current auditors of FreePoint, will become the auditors of the Resulting Issuer until the first annual meeting of shareholders of the Resulting Issuer or until their successors are elected or appointed.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

The Resulting Issuer Board is expected to appoint David Eto, Sophear Net, and David Gurnham to its Audit Committee, effective as of the Closing. In connection with the Closing, it is anticipated that the Resulting Issuer will adopt FreePoint's Audit Committee Charter, which is attached as Schedule A to this Prospectus. All members of the Audit Committee are considered "independent" and all of them are "financially literate" within the meaning of NI 52-110. For a description of the relevant backgrounds of each proposed member of the Audit Committee, see "*Information Regarding FreePoint - Audit Committee and Corporate Governance*".

The Resulting Issuer Board is expected to adopt corporate governance practices that are substantially similar to those of FreePoint. See "*Information Regarding FreePoint - Audit Committee and Corporate Governance*".

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent for the Resulting Issuer is expected to be National Securities Administrators Ltd. at its office located at 760 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

DIVIDEND POLICY

As at the Closing, there will be no restrictions in the Resulting Issuer's articles or elsewhere that will prevent the Resulting Issuer from paying dividends. All of the Common Shares will be entitled to an equal share in any dividends declared and paid on the Common Shares. However, it is anticipated that, for the foreseeable future, all available funds will be invested to finance the growth of the Resulting Issuer's business and, accordingly, it is not contemplated that any dividends will be paid on the Common Shares during such time. The Resulting Issuer Board will determine if and when dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time.

RISK FACTORS

Investing in the Common Shares involves significant risks. You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Prospectus, and all other information contained in this Prospectus, including the consolidated financial statements and accompanying notes. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones the Resulting Issuer will face. If any of the following risks, or any other risks and uncertainties not yet identified or that are currently consider not to be material, actually occur or become material risks, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected. In that event, the market price of the Common Shares could decline and you could lose part or all of your investment. All references to FreePoint and V23 in the risk factors below are deemed to also refer to the Resulting Issuer.

Risks generally related to FreePoint.

FreePoint is a development stage company with little operating history and, as a result, is unable to assure profitability. FreePoint has been incurring operating losses and cash flow deficits since the inception of its operations. Its lack of operating history, and the lack of historical pro-forma combined financial information for FreePoint and Core may make it difficult for shareholders to evaluate FreePoint's prospects for success. Prospective shareholders should consider the risks and difficulties FreePoint might encounter, especially given FreePoint's lack of an operating history or historical pro forma combined financial information. There is no assurance that FreePoint will be successful and the likelihood of success must be considered in light of its relatively early stage of operations. As such, it is extremely difficult to make accurate predictions and forecasts of its finances. There is no guarantee that FreePoint's services will be attractive to potential consumers or that it will ever achieve profitability.

Uncertainty about FreePoint's ability to continue as a going concern.

FreePoint is in the development stage and is currently seeking to expand its product and services offerings in the technology industry and grow its revenue. FreePoint's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities as and when they become due. External financing, predominantly by the issuance of equity and debt, may be sought to finance the operations of FreePoint; however, there can be no certainty that such funds will be available on terms acceptable to FreePoint or at all. These conditions indicate the existence of material uncertainties that may cast significant doubt about FreePoint's ability to continue as a going concern.

FreePoint has had negative cash flow since inception.

FreePoint has had negative operating cash flow since inception. To the extent that FreePoint has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. FreePoint may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that FreePoint will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that financing, if available, will be on terms favourable to FreePoint.

FreePoint's actual financial position and results of operations may differ materially from the expectations of FreePoint's management.

FreePoint's actual financial position and results of operations may differ materially from management's expectations. FreePoint has experienced some changes in its operating plans and certain delays in its plans. As a result, FreePoint's revenue, net income and cash flow may differ materially from FreePoint's projected revenue, net income and cash flow. The process for estimating FreePoint's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect FreePoint's financial condition or results of operations.

FreePoint expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

FreePoint expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a materially adverse impact on FreePoint's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to FreePoint's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of FreePoint. FreePoint's efforts to grow its business may be costlier than expected, and FreePoint may not be able to increase its revenue enough to offset higher operating expenses. FreePoint may incur significant losses in the future for a number of reasons, including the other risks described in this Prospectus, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If FreePoint is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease.

There are factors that may prevent FreePoint from realization of growth targets.

FreePoint is currently in the expansion from early development stage. There is a risk that the resources required for operations will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these *"Risk Factors"* and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals such as those required for hardware production or connection to customer equipment;
- non-performance by third party contractors such as cloud service providers;

- increases in materials or labour costs;
- software or hardware development projects falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- operational inefficiencies;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events, such as fires, explosions or storms.

FreePoint may not be able to develop its products, which could prevent it from ever becoming profitable.

If FreePoint cannot successfully market its services, or if FreePoint experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, FreePoint may not be able to effectively enter the market. A failure by FreePoint to achieve a low-cost structure through economies of scale would have a material adverse effect on FreePoint's commercialization plans and FreePoint's business, prospects, results of operations and financial condition.

IIoT software is a relatively new market

FreePoint derives, and expects to continue to derive, substantially all of its revenue from selling its software-driven IIoT communications platform that provides manufacturing analytics in real time. This is a relatively new and rapidly evolving market, where the majority of manufacturers have not adopted manufacturing analytics software. If the market for such products fails to grow or grows at a slower rate than FreePoint currently anticipates, FreePoint's business may be negatively affected. FreePoint has targeted expansion into markets it believes are most likely to adopt the IIoT communications platform. However, FreePoint's efforts to expand within and beyond the current markets may not be achieved at the rate of adoption FreePoint anticipates.

FreePoint's officers and directors control a large percentage of FreePoint's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting FreePoint and its business.

Officers, directors and other Insiders of FreePoint are expected to own approximately 28.8% of the Resulting Issuer Shares on an undiluted basis following the Closing. FreePoint's shareholders nominate and elect the Board, which generally has the ability to control the acquisition or disposition of FreePoint's assets, and the future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, FreePoint's directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, shareholders may find it difficult or impossible to replace FreePoint's directors if they disagree with the way FreePoint's business is being operated.

There is no assurance that FreePoint will turn a profit or generate immediate revenues.

There is no assurance as to whether FreePoint will be profitable, earn revenues, or pay dividends. FreePoint has incurred, and anticipates that it will continue to incur, substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, FreePoint's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

FreePoint may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.

If FreePoint implements its business plan as intended, it may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of FreePoint's financial and management controls and management information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. FreePoint may utilize outsourced resources and hire additional personnel to manage its expected growth and expansion. Failure to successfully manage its possible growth and development could have a material adverse effect on FreePoint's business and the value of the Common Shares.

Customer speculation or knowledge of future product or feature releases may impact revenue.

As FreePoint continues to develop, improve, upgrade and otherwise alter its product offerings, it may periodically provide advanced timing and availability information to its customers and prospects, or they may speculate as to future products availability and timing. Management believes that customer and prospect speculation or knowledge of upcoming product and feature releases, including timing, may cause fluctuations in revenues. The willingness of customers and prospects to purchase currently available products (even with the right to upgrade to the newest product releases once they become available) may or may not be influenced by new product development, and, there is no guarantee that customers or prospects will ever make a purchase from FreePoint.

There is no assurance that manufacturers will engage workers and increase productivity using the products of FreePoint.

FreePoint has developed a low-cost, ready-to-use OEE/M2M integrated solution for legacy machines and network enabled "smart" machines to enable subscribers to monitor and compare machines and produce comparative benchmark reports, which it believes will engage workers and increase productivity. However, there can be no assurances that users of the solution will realize any increased productivity. Failure to increase productivity may have an adverse affect on the financial position of FreePoint.

FreePoint may be unable to adequately protect its proprietary and intellectual property rights.

FreePoint's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent FreePoint is able to do so, to protect any of its proprietary rights, FreePoint intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of any of FreePoint's intellectual property:

- the market for FreePoint's products and services may depend to a significant extent upon the goodwill associated with its trademarks and trade names, and its ability to register its intellectual property.

- FreePoint's applications for trademarks and copyrights relating to its business may not be granted and, if granted, may be challenged or invalidated;

- issued patents, trademarks and registered copyrights may not provide FreePoint with competitive advantages;

- FreePoint's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of any its products or intellectual property;

- FreePoint's efforts may not prevent the development and design by others of products similar to or competitive with, or superior to those FreePoint develops;

- another party may obtain a blocking patent and FreePoint would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products; or

- the expiration of patent or other intellectual property protections for any assets owned by FreePoint could result in significant competition, potentially at any time and without notice, resulting in a significant reduction in sales.

The effect of the loss of these protections on FreePoint and its financial results will depend, among other things, upon the nature of the market and the position of FreePoint's products in the market from time to time, the growth of the market, the complexities and economics of manufacturing a competitive product and regulatory approval requirements but the impact could be material and adverse.

FreePoint may be forced to litigate to defend its intellectual property rights or to defend against claims by third parties relating to intellectual property rights.

FreePoint may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract management from focusing on operating FreePoint's business. The existence and/or outcome of any such litigation could harm FreePoint's business.

FreePoint may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on FreePoint's reputation, business, results from operations, and financial condition.

FreePoint may be named as a defendant in a lawsuit or regulatory action, including with respect to product liability claims. FreePoint may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on FreePoint's business, results of operations, sales, cash flow or financial condition.

Product liability claims can be expensive, difficult to defend and may result in large judgments or settlements against FreePoint. FreePoint may not be able to obtain or maintain adequate insurance or other protection against potential liabilities arising from product sales. Product liability claims could also result in negative perception of FreePoint's products or other reputational damage, which could have a material adverse effect on FreePoint's business, results of operations, sales, cash flow or financial condition.

FreePoint's commercial success depends, in part, upon it not infringing or violating intellectual property rights owned by others. The industry in which FreePoint competes has many participants that own, or claim to own, intellectual property. FreePoint cannot determine with certainty whether any existing third-party patents, or the issuance of any new third-party patents, would require it to alter its technologies or products, obtain licenses or cease certain activities, including the sale of its core product.

Competition

FreePoint is engaged in an industry that is highly competitive, evolving and is characterized by technological change. As a result, it is difficult to predict whether, when and by whom new competing technologies or new competitors may enter the market. Some of these current and potential competitors are much larger than FreePoint with access to significant resources it cannot currently match. FreePoint cannot assure that it will be able to compete effectively against current and future competitors. In addition, competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on FreePoint's business, financial condition or results of operations. Competitive pressures faced by FreePoint could have a material adverse effect on its business, operating results and financial condition.

If FreePoint is unable to attract and retain key personnel, it may not be able to compete effectively in the technology industry.

FreePoint's success has depended and continues to depend upon its ability to attract and retain key management, including FreePoint's CEO, technical experts and sales personnel. FreePoint will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. FreePoint's inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on FreePoint's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of FreePoint, results of operations of the business and could limit FreePoint's ability to develop and market its products. The loss of any of FreePoint's senior management or key employees could adversely affect FreePoint's ability to execute its business plan and strategy, and FreePoint may not be able to find adequate replacements on a timely basis, or at all. FreePoint does not maintain key person life insurance policies on any of its employees.

FreePoint continues to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that FreePoint will be able to achieve its business objectives. The continued development of FreePoint will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or FreePoint going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to FreePoint.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. FreePoint's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of FreePoint have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by FreePoint on the exercise of Options under the Option Plan and upon the exercise of outstanding warrants. In addition, from time to time, FreePoint may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase FreePoint's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for FreePoint to obtain additional capital and to pursue business opportunities, including potential acquisitions. FreePoint may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict FreePoint's ability to pursue its business objectives.

Investors that purchase Common Shares in an offering will experience substantial and immediate dilution, because the price that investors pay will be substantially greater than the net tangible book value per share of the Common Shares that investors acquire. This dilution is due in large part to the fact that FreePoint's earlier shareholders will have paid substantially less than a public offering price when they purchased their shares.

FreePoint could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against FreePoint.

FreePoint is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities related to FreePoint that violate: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for FreePoint to identify and deter misconduct by its employees and other third parties, and the precautions taken by FreePoint to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting FreePoint from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against FreePoint, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on FreePoint's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of FreePoint's operations, any of which could have a material adverse effect on FreePoint's business, financial condition and results of operations.

FreePoint will be reliant on information technology systems and may be subject to damaging cyber-attacks.

FreePoint has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations. FreePoint's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. FreePoint's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact FreePoint's reputation and results of operations.

FreePoint has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that FreePoint will not incur such losses in the future. FreePoint's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, FreePoint may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

FreePoint's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

FreePoint may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, FreePoint's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to FreePoint. In some cases, FreePoint's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to FreePoint's business and affairs and that could adversely affect FreePoint's operations. These business interests could require significant time and attention of FreePoint's executive officers and directors.

In addition, FreePoint may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or Companies with which FreePoint may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of FreePoint. In addition, from time to time, these persons may be competing with FreePoint for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of FreePoint's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of FreePoint are required to act honestly, in good faith and in the best interests of FreePoint.

In certain circumstances, FreePoint's reputation could be damaged.

Damage to FreePoint's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easy for individuals and groups to communicate and share opinions and views regarding FreePoint and its activities, whether true or not. Although FreePoint believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, FreePoint does not ultimately have direct control over how it is perceived by others. A loss in reputation may result in decreased investor confidence, increased challenges in developing and maintaining community relations and impediments to FreePoint's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Risks Related to V23's Securities

V23 cannot assure you that a market will continue to develop or exist for its Common Shares or what the market price of the Common Shares will be.

Prior to V23's listing, there was no public trading market for the Common Shares, and V23 cannot assure you that one will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult for you to sell your Common Shares at an attractive price or at all. V23 cannot predict the prices at which its Common Shares will trade.

V23 will be subject to additional regulatory burden resulting from its public listing on the CSE.

Prior to the Transaction, V23 has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or other stock exchange. V23 is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. V23 have made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, V23 cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for V23 and will require the time and attention of management. V23 is unable to predict the amount of the additional costs that it may incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond V23's control.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond its control, including the following:

- actual or anticipated fluctuations in its quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which it operates;
- addition or departure of executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving V23 or its competitors;
- operating and share price performance of other companies that shareholders deem comparable to it;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates;

- operating and share price performance of other companies that shareholders deem comparable to V23 or from a lack of market comparable companies;

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in V23's industry or target markets; and

- regulatory changes in the industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if V23's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, V23's operations could be adversely affected.

V23 does not anticipate paying cash dividends.

V23's current policy is to retain earnings to finance the development and enhancement of its products and otherwise to reinvest in V23. Therefore, V23 does not anticipate paying cash dividends on the Common Shares in the foreseeable future. From time to time, the Board of Directors will review the dividend policy in the context of V23's earnings, financial condition and other relevant factors. Until the time that V23 does pay dividends, which it may never do, V23's shareholders will not be able to receive a return on their Common Shares unless they sell them. See *"Dividend Policy"*.

Future sales of Common Shares by existing shareholders could reduce the market price of V23's shares.

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of Common Shares. Additional Common Shares may be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares. Holders of Options will have an immediate income inclusion for tax purposes when they exercise their Options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of Options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holds of Common Shares by V23's management and employees.

V23 may become subject to future dilution.

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. V23 intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, shareholders will suffer dilution of their voting power and may experience dilution in V23's earnings per Common Share.

No guarantee on the use of available funds by V23.

V23 cannot specify with certainty the particular uses of the proceeds. Management has broad discretion in the application of all revenues and proceeds, including for any of the purposes described in *"Use of Available Funds"*. Accordingly, a purchaser of Common Shares will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. V23's management may spend a portion or all of the proceeds in ways that its shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm V23's business. Pending use of such funds, V23's management may invest the proceeds in a manner that does not produce income or that loses value.

PROMOTERS

Other than the current directors and officers, no person or company has acted as a promoter of V23 or FreePoint within the two years immediately preceding the date of the Prospectus.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no pending legal proceedings to which V23 is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of V23 are included in this Prospectus.

Regulatory Actions

No penalties or sanctions were imposed against V23 by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Prospectus. No other penalties or sanctions have been imposed by a court or regulatory body against V23 necessary for this Prospectus to contain full, true and plain disclosure of all material facts. V23 has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain directors and officers of V23 hold Common Shares and may be granted Options to purchase Common Shares in the future. See *"Directors and Executive Officers"* and *"Options to Purchase Securities"*. Neither the directors, officers and principal shareholders of V23, nor any associate or affiliate of the foregoing, have had a material interest, direct or indirect, in any transactions in which V23 has participated prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will material affect V23.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by V23 and FreePoint within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Amalgamation Agreement dated May 15, 2019 among V23, FreePoint and Newco. See *"Corporate Structure"*.

2. Debenture Indenture dated December 31, 2018.

3. FreePoint BDC 2017 Loan Agreement.

In addition to the foregoing, it is expected that, prior to the Closing, V23 will appoint the Transfer Agent to act as V23's transfer agent, and enter into the Escrow Agreement with the Escrow Agent and the holders of the Escrow Securities.

Copies of all material contracts and reports referred to in this Prospectus may be found on V23's SEDAR profile at www.sedar.com.

INTEREST OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of V23 or any associate or affiliate of V23.

Prior to completion of the Transaction, V23's auditor was Baker Tilly WM LLP, and MNP LLP was the auditor of FreePoint. Each of Baker Tilly WM LLP and MNP LLP are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants. Following the Closing, it is expected that MNP LLP will be the auditor of the Resulting Issuer.

OTHER MATERIAL FACTS

Other than as set out elsewhere in this Prospectus, there are no other material facts about V23 and its securities which are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to V23 and its securities.

SCHEDULE "A"

FreePoint Audit Committee Charter

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the audit committee (the "**Committee**") of the board of directors (the "**Board**") of FreePoint Technologies Inc. ("**FreePoint**").

1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

(a) financial reporting and disclosure requirements;

(b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of FreePoint; and

(c) external and internal audit processes.

2. Composition and Membership

(a) The Board will appoint the members of the Committee (the "**Members**"). The Members will be appointed to hold office until the next annual general meeting of shareholders of FreePoint or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. Each Member will meet the criteria for financial literacy established by applicable laws and the rules of any stock exchanges upon which FreePoint's securities are listed, including National Instrument 52-110 – *Audit Committees*. The majority of Members will meet the criteria for independence established by the aforementioned laws and rules. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

(c) The Board will appoint one of the Members to act as the chairman of the Committee (the "**Chairman**"). The Chairman may appoint an individual to as the secretary at any Committee meeting. The secretary of the Committee meeting will maintain minutes of the meetings and deliberations of the Committee. The secretary need not be a Member in order to act as the secretary of a Committee meeting.

3. Meetings

(a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four times per year. 24 hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) At the request of the external auditors of FreePoint, the Chief Executive Officer or the Chief Financial Officer of FreePoint or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of the members to act as chairman of the meeting.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

(f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of FreePoint to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4. Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 Financial Reporting and Disclosure

(a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

(b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

(c) review with management of FreePoint, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly FreePoint's financial position and the results of its operations in accordance with IFRS, as applicable;

(d) seek to ensure that adequate procedures are in place for the review of FreePoint's public disclosure of financial information extracted or derived from FreePoint's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

(e) review the minutes from each meeting of the Responsible Parties, established pursuant to FreePoint's corporate disclosure policy, since the last meeting of the Committee;

4.2 Internal Controls and Audit

(a) review the adequacy and effectiveness of FreePoint's system of internal control and management information systems through discussions with management and the external auditor to ensure that FreePoint maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect FreePoint's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of FreePoint at any particular time;

(b) satisfy itself that management has established adequate procedures for the review of FreePoint's disclosure of financial information extracted or derived directly from FreePoint's financial statements;

(c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

(d) review and discuss FreePoint's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

(e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of FreePoint's risk management policies and procedures with regard to identification of FreePoint's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by FreePoint;

(f) recommend the appointment, or if necessary, the dismissal of the head of FreePoint's internal audit process;

4.3 External Audit

(a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of FreePoint;

(b) ensure the external auditors report directly to the Committee on a regular basis;

(c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

(d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;

(e) review the audit plan of the external auditors prior to the commencement of the audit;

(f) establish and maintain a direct line of communication with FreePoint's external and internal auditors;

(g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;

(h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

(i) oversee the work of the external auditors appointed by the shareholders of FreePoint with respect to preparing and issuing an audit report or performing other audit, review or attest services for FreePoint, including the resolution of issues between management of FreePoint and the external auditors regarding financial disclosure;

(j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of FreePoint, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

(k) discuss with the external auditors their perception of FreePoint's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

(l) discuss with the external auditors their perception of FreePoint's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;

(m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;

(n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 Associated Responsibilities

(a) review and approve FreePoint's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of FreePoint; and

4.5 Non-Audit Services

(a) pre-approve all non-audit services to be provided to FreePoint or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre- approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5. Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that FreePoint's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of FreePoint, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of FreePoint's financial information or public disclosure.

6. Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7. Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding FreePoint that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at FreePoint's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8. Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

SCHEDULE "B"

Pro forma statement of financial position of V23 giving effect to the Transaction as at March 31, 2019

Vanadium 23 Capital Corporation
Pro-Forma Consolidated Statement of Financial Position
(Unaudited)

As at	Mar 31 2019 FreePoint Technologies	Mar 31 2019 Vanadium 23 Capital Corp.	Note 2	Pro Forma Adjustments	Mar 31 2019 Pro Forma Consolidation
Assets					
Current assets					
Cash	$ 11,216	$ 168,043	(b)(i)	$ 600,000	$ 3,987,700
			(c)(i)	4,000,000	
			(f)	(645,676)	
			(g)	(145,883)	
			(h)(i)	250,000	
			(h)(ii)	(250,000)	
Trade and other receivables	429,728	-			429,728
HST/GST recoverable	-	270			270
Subscription receivable	121,000	-			121,000
Income tax recoverable	54,980	-			54,980
Inventory	67,617	-			67,617
Prepaid expenses	12,128	-			12,128
	696,669	168,313		3,808,441	4,673,423
Property, plant and equipment	107,641	-			107,641
	$ 804,310	**$ 168,313**		**$ 3,808,441**	**$ 4,781,064**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	$ 394,367	$ 23,126		$	$ 417,493
Purchase price payable	145,883	-	(g)	(145,883)	-
HST payable	11,778	-			11,778
Deferred revenue	221,712	-			221,712
Conversion feature on convertible debt	458,279	-	(b)(ii)	(458,279)	-
Current portion of lease liability	18,383	-			18,383
Current portion of long-term debt	582,712	-	(f)	(582,712)	-
	1,833,114	23,126		(1,186,874)	669,366
Lease liability	26,898	-			26,898
Debt	34,396	-	(f)	(34,396)	-
			(h)(i)	250,000	
			(h)(ii)	(250,000)	
Convertible debt	377,579	-	(b)(ii)	(377,579)	-
	2,271,987	23,126		(1,598,849)	696,264

Vanadium 23 Capital Corporation
Pro-Forma Consolidated Statement of Financial Position - continued
(Unaudited)

As at	Mar 31 2019 FreePoint Technologies	Mar 31 2019 Vanadium 23 Capital Corp.	Note 2	Pro Forma Adjustments	Mar 31 2019 Pro Forma Consolidation
Equity					
Share capital	$ 3,023,008	$ 171,500	(b)(i)	$ 537,000	$ 9,581,353
			(b)(ii)	731,000	
			(c)(i)	3,580,000	
			(c)(ii)	358,000	
			(d)(i)	(3,751,500)	
			(d)(ii)	4,909,970	
			(h)(ii)	22,375	
Contributed surplus	161,737	-	(b)(i)	63,000	644,737
			(c)(i)	420,000	
			(d)(i)	(420,000)	
			(d)(ii)	420,000	
Deficit	(4,652,422)	(26,313)	(b)(ii)	104,858	(6,140,790)
			(c)(ii)	(358,000)	
			(d)(i)	26,313	
			(d)(iii)	(1,184,783)	
			(f)	(28,568)	
			(g)(ii)	(22,375)	
	(1,467,677)	**145,187**		**5,407,290**	**4,084,800**
	$ 804,310	**$ 168,313**		**$ 3,808,441**	**$ 4,781,064**

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position of Vanadium 23 Capital Corporation. ("**V23**") and FreePoint Technologies Inc. ("**FreePoint**") has been prepared by management to reflect the proposed Transaction (as defined in Note 2).

The pro forma consolidated financial statements have been prepared from information derived from and should be read in conjunction with the following:

1. the audited financial statements of V23 as at March 31, 2019.

2. the unaudited interim condensed consolidated financial statements of FreePoint as at March 31, 2019.

The unaudited pro forma consolidated statement of financial position of V23 and FreePoint as at March 31, 2019 has been presented assuming the Transaction had been completed on March 31, 2019.

The Transaction is considered to be a reverse takeover of V23 by FreePoint. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. Accordingly, the Transaction is equivalent to the issuance of shares by the non-public operating entity, FreePoint, to acquire the net assets and the listing status of the non-operating public company, V23. The determination of the fair value of the shares issued is described in note 2(c)(i).

The unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of V23 and FreePoint, as management does not anticipate any material costs or cost savings as a result of the Transaction.

The unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the Transaction may differ from those recorded in the unaudited pro forma consolidated financial statement information.

Management of V23 believes that the assumptions used provide a reasonable basis for presenting all of the significant effects of the Transaction and that the pro forma adjustments give appropriate effect to those assumptions and are appropriately applied in the unaudited pro forma consolidated statement of financial position.

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS - continued

d) (i) Share capital, contributed surplus, and the deficit of V23 are eliminated.

A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the non-public operating entity, FreePoint, for the net assets and the listing status of the non-operating public entity, V23.

(ii) The fair value of the consideration is as follows:

Deemed issuance of 13,715,000 post-amalgamation common shares to the former shareholders of V23 valued at $0.358 per share (c)(i)	$ 4,909,970
Deemed issuance of 5,000,000 post-amalgamation common share purchase warrants to the former warrant holders of V23 valued at $0.084 per whole warrant (c)(i)	420,000
	$ **5,329,970**

(iii) The allocation of the purchase consideration is as follows:

Cash	$ 4,168,043
GST receivable	270
Trade and other payables	(23,126)
Listing costs expensed	1,184,783
	$ 5,329,970

e) The issuance by V23 of 26,884,375 post-amalgamation common shares in exchange for each of the issued and outstanding common shares of FreePoint.

f) The FreePoint BDC Loans are repaid in full including the $70,000 bonus payment. Additional accretion expense of $28,568 is recognized.

g) The FreePoint purchase price payable is paid.

h) (i) On July 29, 2019, the Company obtained an unsecured bridge loan in the principal amount of $250,000.

(ii) Pursuant to the terms of the loan agreement, the Company has also agreed to issue the lender 62,500 common shares on receipt of the conditional approval of the CSE for the Transaction. The value has been estimated at $22,375 based on the concurrent financing price.

(iii) It is expected that the bridge loan will be repaid in connection with the Closing.

3. SHARE CAPITAL CONTINUITY

Authorized: unlimited common shares

Pro forma Share Capital	Note 2	Number of Shares		Value
V23 common shares issued and outstanding as at March 31, 2019		3,715,000	$	171,500
Common shares of FreePoint issued as of March 31, 2019		23,100,000		3,023,008
Shares issued pursuant to FreePoint private placement	(b)(i)	1,500,000		537,000
Shares issued pursuant to FreePoint debt conversion	(b)(ii)	2,284,375		731,000
Shares issued pursuant to V23 private placement	(c)(i)	10,000,000		3,580,000
Shares issued pursuant to finder's fee agreement	(c)(ii)	1,000,000		358,000
Adjustment for Amalgamation	(d)(i)	(26,884,375)		(3,751,500)
Amalgamation with V23 at fair value	(d)(ii)	-		4,909,970
Shares issued to FreePoint shareholders in connection with the Transaction	(e)	26,884,375		-
Shares issued to lender in connection with FreePoint bridge loan	(h)(ii)	62,500		22,375
Pro forma share capital as at March 31, 2019		**41,661,875**	**$**	**9,581,353**

4. PRO FORMA WARRANTS CONTINUITY

	Note 2	Number of Warrants		Value
Warrants of FreePoint outstanding as at March 31, 2019		-	$	-
Warrants issued on FreePoint private placement	(b)(i)	750,000		63,000
Warrants previously accrued formally issued	(b)(iii)	159,900		10,000
Warrants deemed issued on acquisition of V23	(d)(ii)	5,000,000		420,000
Pro forma Warrants as at March 31, 2019		**5,909,900**	**$**	**493,000**

5. INCOME TAXES

The effective income tax rate of the resulting issuer is expected to be 27.0%.

SCHEDULE "C"

Audited Financial Statements of V23
for the fiscal period from January 30, 2018 (its date of incorporation)
to December 31, 2018

See attached.

Vanadium 23 Capital Corporation

Financial Statements

For the Year Ended March 31, 2019
and the period from incorporation on
January 30, 2018 to March 31, 2018

Vanadium 23 Capital Corporation

Statements of Financial Position

(Stated in Canadian Dollars)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Cash		$ 168,043	$ 131,852
GST receivable		270	92
TOTAL ASSETS		$ 168,313	$ 131,944
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		$ 23,126	$ 9,516
Subscriptions received in advance	**4**	-	82,000
		23,126	91,516
Equity			
Common shares	**4**	171,500	50,000
Deficit		(26,313)	(9,572)
Total equity		145,187	40,428
TOTAL LIABILITIES AND EQUITY		$ 168,313	$ 131,944

Nature and continuance of operations	**1**
Subsequent events	**11**

Approved on behalf of the Board of Directors:

____
David Patterson, Director

____
Colin Watt, Director

{01352492;1}

Vanadium 23 Capital Corporation

Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

	Notes	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Expenses			
General and administrative	**5**	$ 16,741	$ 9,572
Loss and comprehensive loss for the period		$ (16,741)	$ (9,572)
Weighted average number of common shares outstanding			
Basic and diluted		6,421,951	5,000,000
Basic and diluted loss per common share	**4**	$ (0.00)	$ (0.00)

{01352492;1}

Vanadium 23 Capital Corporation

Statements of Changes in Equity

(Stated in Canadian Dollars)

	Common Shares				
	Number	Amount	Special Warrants	Deficit	Total
Balance at January 30, 2018	-	$ -	$ -	$ -	$ -
Issue of common shares for cash	5,000,000	50,000	-	-	50,000
Loss for the period	-	-	-	(9,572)	(9,572)
Balance at March 31, 2018	5,000,000	50,000	-	(9,572)	40,428
Issue of special warrants for cash	-	-	121,500	-	121,500
Conversion of special warrants into common shares	2,430,000	121,500	(121,500)	-	-
Loss for the period	-	-	-	(16,741)	(16,741)
Balance at March 31, 2019	7,430,000	$ 171,500	$ -	$ (26,313)	$ 145,187

{01352492;1}

Vanadium 23 Capital Corporation

Statements of Cash Flows

(Stated in Canadian Dollars)

	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Operating activities		
Loss for the period	$ (16,741)	$ (9,572)
Changes in non-cash working capital items:		
GST receivable	(178)	(92)
Trade and other payables	13,610	9,516
Net cash used in operating activities	(3,309)	(148)
Financing activities		
Issue of common shares	39,500	50,000
Subscriptions received in advance	-	82,000
Net cash provided by financing activities	39,500	132,000
Change in cash during the period	36,191	131,852
Cash, beginning of period	131,852	-
Cash, end of period	$ 168,043	$ 131,852
Non-cash financing activity		
Shares issued for subscriptions received in advance	$ 82,000	$ -

{01352492;1}

1. Nature and Continuance of Operations

Vanadium 23 Capital Corporation (the "Company") was incorporated on January 30, 2018 as 1151139 BC Ltd. pursuant to the *Business Corporations Act* of British Columbia and changed its name on February 2, 2018. As at March 31, 2019, the Company had no business operations and its only significant asset was cash. The Company's principal business has been the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

On May 15, 2019, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") with FreePoint Technologies Inc. ("**FreePoint**") and 2696399 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of the Company, pursuant to which the parties have agreed to complete a three-cornered amalgamation transaction which will result in the reverse take-over of the Company by FreePoint (the "**Transaction**"). Pursuant to the terms of the Amalgamation Agreement, Newco will amalgamate with FreePoint pursuant to a statutory procedure under the Ontario *Business Corporations Act* and, in connection with the Amalgamation, each holder of FreePoint Shares will receive one post-consolidated common share of the Company (an "Exchange Share") in exchange for each post-consolidated FreePoint share and the amalgamated corporation will become a wholly owned subsidiary of the Company. It is anticipated that the Company will issue 26,884,375 Exchange Shares to the FreePoint shareholders in connection with the Transaction. Following the Closing, the business of the Company will be the business of FreePoint.

In accordance with the terms of the Amalgamation Agreement, the Company will undertake a financing, on a private placement basis, to raise gross proceeds of up to $4,000,000. The financing is expected to be undertaken through the issuance of subscription receipts, and to be completed prior to closing of the Transaction, however the proceeds will be held in escrow and not released to the Company unless the conditions provided for in the terms of the subscription receipt agreement governing the subscription receipts are completed by the time set forth in such agreement. Subject to the satisfaction of such escrow release conditions, each subscription receipt will automatically convert, for no additional consideration, into one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at a price of $0.60 per share for 12 months from the date of issue.

Pursuant to the terms of the Amalgamation Agreement, it is a condition to the completion of the Transaction that both the Company and FreePoint will consolidate their outstanding common shares on the basis of one post-consolidation share for each two pre-consolidation shares.

Closing of the Transaction is subject to various closing conditions, including completion of the Company's financing, completion of the two above mentioned consolidations, the approval of the FreePoint shareholders, and the approval of the listing of the Company's common shares on the CSE. Concurrently with the completion of the Transaction, the Company intends to change its name to "FreePoint Industries Inc." or such other name as is determined by FreePoint in its sole discretion, and as is acceptable to the CSE.

The head office and principal address of the Company is located at Suite 1100 – 1111 Melville Street, Vancouver, BC, V7X 1J5. The registered and records office of the Company is located at Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5.

The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Basis of Preparation

a) Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") since incorporation on January 30, 2018. These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRICs").

b) Basis of presentation

The financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in note 3.

c) Approval of the financial statements

The financial statements of the Company for the year ended March 31, 2019 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on August 14, 2019.

3. Summary of Significant Accounting Policies

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks, trust accounts with counsel, and highly liquid investments with an original maturity of three months or less. There were no cash equivalents at March 31, 2019 or 2018.

b) Foreign currencies

The financial statements are presented in Canadian dollars. The Company's functional currency is the Canadian dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency rate of exchange at the date of the statement of financial position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

All gains and losses on translation of these foreign currency items are included in profit or loss. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3. Summary of Significant Accounting Policies (cont'd)

c) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

In situations where equity instruments are issued for goods or services, the transaction is measured at the fair value of the goods or services received by the entity. When the value of the goods or services cannot be reliably estimated, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is recorded in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as dilution in the computation of earnings per share if applicable.

d) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries, and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the

3. Summary of Significant Accounting Policies (cont'd)

d) Income taxes (continued)

carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

e) Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is computed by dividing the loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. Common shares that are contingently returnable are not included in the calculation.

f) Financial instruments

i) Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

ii) Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

a) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
b) those to be measured subsequently at amortized cost.

3. Summary of Significant Accounting Policies (cont'd)

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

a) amortized cost;
b) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
c) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at FVTOCI or amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial asset consists of cash, which is classified and subsequently measured at amortized cost. The Company's financial liabilities consist of trade and other payables and subscriptions received in advance, which are classified and measured at amortized cost using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. Interest expense is reported in net loss.

iii) Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

g) Interest income

Interest income from financial assets is accrued by reference to the principal outstanding and at the applicable effective interest rate.

3. Summary of Significant Accounting Policies (cont'd)

h) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

i) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

There are no key sources of judgment, estimation or uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements as at March 31, 2019 and 2018.

j) Standards and interpretations issued but not yet effective

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standard which is not yet effective:

- IFRS 16 — New accounting standard that replaces IAS 17, IFRIC 4, SIC 15, and SIC 27 for the recognition, measurement, presentation, and disclosure of leases for both the lessee and lessor (effective January 1, 2019).

The Company has not early adopted this standard and does not expect there to be a material impact on the results and financial position of the Company when this standard is adopted.

(Stated in Canadian Dollars)

4. Shareholders' Equity

a) Authorized and issued share capital:

The Company has authorized an unlimited number of common shares without par value.

During the year ended March 31, 2019, the Company issued 2,430,000 common shares pursuant to the conversion of 2,430,000 Special Warrants.

During the year ended March 31, 2019, the Company received $39,500 for the subscription of 790,000 Special Warrants at a price of $0.05 per Special Warrant. The Company received $82,000 for the subscription of 1,640,000 Special Warrants at a price of $0.05 per Special Warrant during the period ended March 31, 2018. On April 30, 2018, the Company closed its Special Warrant private placement and issued 2,430,000 Special Warrants. Each Special Warrant entitled the Subscriber to automatically receive, without payment of additional consideration and without further action on the part of the Subscriber one common share of the Company on the earlier of (i) five days following the Company obtaining a receipt to a final prospectus which qualifies the distribution of the common shares upon conversion of the Special Warrants; or (ii) four months and a day following the closing date of the private placement.

During the period ended March 31, 2018, the Company issued 5,000,000 common shares at a price of $0.01 per share for total proceeds of $50,000.

b) Loss per share:

Basic and diluted loss per share

	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Numerator:		
Net (loss) income	$ (16,741)	$ (9,572)
Denominator:		
Weighted average number of common shares (basic)	6,421,951	5,000,000
Dilutive effect of share options	-	-
Dilutive effect of warrants	-	-
Weighted average number of common shares (diluted)	6,421,951	5,000,000
Basic and diluted (loss) income per common share	$ (0.00)	$ (0.00)

(Stated in Canadian Dollars)

5. General and administrative

	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Office and miscellaneous	$ 5,521	$ 148
Professional fees	11,220	9,424
	$ 16,741	$ 9,572

6. Financial Instruments

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risks exposure and its financial policies are as follows:

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. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds deposited at a Chartered Bank. Management believes the Company's exposure to credit risk is minimal.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash comprised a bank account balance as of March 31, 2019 and 2018. The Company had no interest rate swaps or financial contracts in place as at or during the year ended March 31, 2019 and period ended March 31, 2018.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at March 31, 2019 and 2018, the Company's financial instruments were cash and trade and other payables. The amounts reflected in the statement of financial position approximate their fair values due to their short-term nature.

7. Capital Management

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in businesses or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

8. Segmented Information

The Company operates in one segment, being the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business. As at March 31, 2019 and 2018, all of the Company's operations and assets are located in Canada.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

There were no related party transactions during the year ended March 31, 2019 and period ended March 31, 2018.

(Stated in Canadian Dollars)

10. Income Taxes

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the loss before income taxes due to the following:

	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Loss before income taxes	$ (16,741)	$ (9,572)
Canadian federal and provincial income tax rates	27.0%	27.0%
Income tax expense (recovery) based on Canadian federal and provincial income tax rates	(4,520)	(2,584)
Increase (decrease) attributable to:		
Changes in unrecognized deferred tax assets	4,520	2,584
	$ -	$ -

Unrecognized deductible temporary differences and unused tax losses are attributable to the following:

	Year ended March 31, 2019	Period from incorporation on January 30, 2018 to March 31, 2018
Non-capital loss carry forwards	$ 7,104	$ 2,584

At March 31, 2019 the Company has non-capital losses of $26,313 available for carry-forward to reduce future years' income taxes, expiring as follows:

Expiry Date	Amount
March 31, 2038	$ 9,572
March 31, 2039	16,741
	$ 26,313

11. Subsequent Event

On May 14, 2019, the Company incorporated a wholly owned subsidiary, 2696399 Ontario Inc., under the *Business Corporations Act* (Ontario). This subsidiary was incorporated solely for the purpose of completing the amalgamation with FreePoint Technologies Inc. discussed in note 1.

SCHEDULE "D"

Interim (unaudited) financial statements of FreePoint for the three months ended March 31, 2019

See attached.

FREEPOINT TECHNOLOGIES INC.

Unaudited Interim Condensed Consolidated Financial Statements

For the Three Months Ended March 31, 2019

Management's Responsibility for Financial Reporting

The accompanying unaudited interim condensed consolidated financial statements of FreePoint Technologies Inc. have been prepared by management in accordance with International Financial Reporting Standards. These unaudited interim condensed consolidated financial statements contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the unaudited interim condensed consolidated financial statements prior to submitting the unaudited interim condensed consolidated financial statements to the Board for approval.

FreePoint Technologies Inc.
Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2019 and December 31, 2018
(Expressed in Canadian dollars)

		March 31 2019 (unaudited)		December 31 2018
Assets				
Current				
Cash	$	11,216	$	316,141
Trade and other receivables		429,728		394,920
HST recoverable		-		-
Subscriptions receivable		121,000		-
Income tax recoverable		54,980		30,351
Inventory		67,617		37,326
Prepaid expenses		12,128		18,322
		696,669		797,060
Property, plant, and equipment *(note 5)*		107,641		57,688
	$	**804,310**	$	**854,748**
Liabilities				
Current				
Accounts payable and accrued liabilities	$	394,367	$	231,244
Purchase price payable		145,883		320,883
HST payable		11,778		6,310
Deferred revenue		221,712		239,150
Conversion feature on convertible debenture *(note 6)*		458,279		-
Current portion of lease liability		18,383		-
Current portion of long-term debt *(note 6)*		582,712		41,280
		1,833,114		838,867
Lease liability		26,898		-
Debt *(note 6)*		34,396		977,430
Convertible debenture *(note 6)*		377,579		-
		2,271,987		**1,816,297**
Shareholders' Equity (Deficiency)				
Share capital *(note 7)*		3,023,008		3,023,008
Contributed surplus *(note 7)*		161,737		37,934
Deficit		(4,652,422)		(4,022,491)
		(1,467,677)		(961,549)
	$	**804,310**	**$**	**854,748**

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

Going concern (note 1)
Events after the reporting period (note 10)

On Behalf of the Board:

Signed: “●”, Director

Signed: “●”, Director

FreePoint Technologies Inc.
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

For the three months ended March 31
(Expressed in Canadian dollars)

	March 31 2019 (unaudited)	March 31 2018
Revenue		
Sales	$ 626,753	$ 96,267
Cost of sales	(314,148)	(50,673)
	312,605	45,595
Expenses		
Wages, salaries, and consulting *(note 8)*	549,721	190,244
Advertising and promotion	48,875	38,433
Travel	36,902	13,072
Professional fees	45,478	18,628
Office and general	30,260	6,236
Communication	8,483	11,224
Insurance	2,654	6,608
Rent	20,391	3,150
Freight	7,094	499
Depreciation	9,542	4,494
Foreign exchange (gain) loss	(2,883)	38,841
Bad debt	105	-
Interest	48,635	21,442
	805,257	352,871
Net (loss) and comprehensive (loss) before fair value of debentures	(492,652)	(307,277)
Fair value of debentures	(137,279)	-
Net (loss) and comprehensive (loss) for the year	(629,931)	(307,277)
Weighted average number of shares outstanding	46,200,000	36,038,333
Basic and diluted loss per share	$ (0.01)	$ (0.01)

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

FreePoint Technologies Inc.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, December 31, 2017	**34,720,000**	**1,665,926**	**-**	**(1,605,711)**	**60,215**
Issuance of shares	5,040,000	599,982	-	-	599,982
Stock based compensation expense	-	-	16,700	-	16,700
Net (loss) for the period	-	-	-	(307,277)	(307,277)
Balance, March 31, 2018 (unaudited)	**39,760,000**	**2,265,908**	**16,700**	**(1,904,132)**	**378,476**
Balance, December 31, 2018	**46,200,000**	**3,023,008**	**37,934**	**(4,022,491)**	**(961,549)**
Stock based compensation expense	-	-	113,803	-	113,803
Warrants to be issued			10,000		10,000
Net (loss) for the period	-	-	-	(629,931)	(625,531)
Balance, March 31, 2019 (unaudited)	**46,200,000**	**3,023,008**	**161,737**	**(4,652,422)**	**(1,467,677)**

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

FreePoint Technologies Inc.
Interim Condensed Consolidated Statements of Cash Flows

For the three months ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

		March 31 2019 (unaudited)		March 31 2018
Operating activities				
Net (loss) for the period	$	(629,931)	$	(307,277)
Items not affecting cash:				
Depreciation		9,542		4,494
Fair value of debentures		137,279		-
Stock based compensation		113,803		16,700
Financing costs expensed		25,404		-
Accretion expense		8,828		8,862
Changes in non-cash working capital				
Accounts receivable		(34,808)		(41,558)
HST recoverable/payable		5,468		14,486
Income tax recoverable		(24,629)		-
Prepaid expenses		6,194		(980)
Inventory		(30,291)		(4,726)
Accounts payable and accrued liabilities		163,123		(36,252)
Deferred revenue		(17,438)		63,105
Net cash flows (used in) operating activities		**(267,656)**		**(283,146)**
Investing activities				
Purchase of property, plant and equipment		(678)		(5,136)
Net cash flows (used in) investing activities		**(678)**		**(5,136)**
Financing activities				
Equity financing		-		599,976
Convertible debt financing, net of issue costs		162,175		-
Debt repayment		(10,230)		(10,320)
Repayment of lease liability		(13,536)		-
Net cash flows provided by financing activities		**138,409**		**589,656**
Decrease in cash		**(304,925)**		**301,374**
Cash, beginning of period		**316,141**		**609,978**
Cash, end of period	**$**	**11,216**	**$**	**911,352**

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

(Expressed in Canadian dollars)

1. Nature of Business and Going Concern

FreePoint Technologies Inc. (the "**Company**" or "**FreePoint**") was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on January 25, 2013.

The Company's registered office is 825 Bradley Ave, London, ON N6E 3C2.

The Company has incurred losses and negative operating cash flows since its inception. As of March 31, 2019, the Company had an accumulated deficit of $4,652,422 (December 31, 2018 - $4,022,491) and a working capital deficiency of $1,136,445 (December 31, 2018 - $41,807). Given the Company's current working capital and the potential for further losses in future, the Company may not be able to meet its financial obligations and sustain its operations in the normal course of business. These conditions cast significant doubt on the ability of the Company to continue as a going concern. These interim condensed consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business rather than through a process of forced liquidation. The interim condensed consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of Presentation and Consolidation

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"), and do not include all of the information required for full annual consolidated financial statements.

These unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, CoreSolutions Software Inc. ("**CoreSolutions**").

These unaudited financial statements are prepared using IFRS in effect at August •, 2019, the date the Board of Directors approved the financial statements. Significant accounting policies used in the preparation of the unaudited financial statements are described in Note 3.

3. Summary of Significant Accounting Policies

Financial Instruments

The Company's financial instruments are classified as follows:

Balance	Classification
Cash	Fair value through profit or loss
Trade and other receivables	Amortized cost
Subscriptions receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost
Conversion feature on convertible debenture	Fair value through profit or loss
Convertible debenture	Amortized cost

3. Summary of Significant Accounting Policies - continued

Revenue Recognition

Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods or provision of services is recognized when all the following conditions have been satisfied:

- The Company has transferred the significant risks and rewards of ownership of the goods to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the customer; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The following describes the specific revenue recognition criteria for each of the Company's specific elements of revenue:

Hardware	Revenue from the sale of hardware is recognized when delivery to the customer has occurred. Where the hardware has been delivered on a trial basis, revenue is not recognized until the customer indicates they are purchasing the hardware.
Installation	Revenue from the performance of installation services is recognized when the installation is complete.
Software	Revenue from software is recognized over the period-of-time the customer is permitted access to and use of the software.
Consulting	Revenue from consulting is recognized as the service is provided.

Income Taxes

Income tax expense (recovery) comprises current and deferred tax and is recognized in the operations based on the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at year-end.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery, if any, are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates. Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below:

Expected bonus payment on the BDC Loan – see note 6(ii)
Valuation of the components of the convertible debenture – see note 6(iii)

(Expressed in Canadian dollars)

4. Accounting Standards Recently Adopted

In January 2016, the IASB issued IFRS 16, *Leases*, which replaced IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company adopted IFRS 16 with modified retrospective application under which the cumulative effect of initially applying this standard is presented as an adjustment to the opening deficit on January 1, 2019; no adjustment to retained earnings was required. The right of use asset recognized is presented in Note 5.

5. Property, Plant & Equipment

	Furniture and Fixtures	Equipment	Computer Hardware	Right of Use Asset	Total
Cost					
Balance December 31, 2018	59,945	4,466	8,924	-	**73,335**
Adoption of IFRS 16	-	-	-	58,817	**58,817**
Purchases	-	-	678	-	**678**
Balance March 31, 2019	59,945	4,466	9,602	58,817	**132,830**
Depreciation Method	20% Declining Balance	20% Declining Balance	30% Declining Balance	Straight Line Over Term of Lease	
Accumulated Depreciation					
Balance December 31, 2018	13,587	2,060	-	-	**15,647**
Depreciation	3,491	120	669	5,262	**9,542**
Balance March 31, 2019	17,078	2,180	669	5,262	**25,189**
Net book value, December 31, 2018	46,358	2,406	8,924	-	**57,688**
Net book value, March 31, 2019	42,867	2,286	8,933	53,555	**107,641**

(Expressed in Canadian dollars)

6. Debt

		March 31 2019		December 31 2018
BDC Loan (i)	$	75,676	$	86,000
BDC Loan (ii)		541,432		532,800
Convertible loan (iii)		-		400,000
		617,108		1,018,800
Less: current portion		582,712		41,370
	$	**34,396**	$	**977,430**

(i) Product development loan bearing interest at a floating base rate plus 3% (payable monthly) and repayable with an initial principal payment of $3,723 on February 15, 2016 and 59 equal monthly principal payments of $3,440, commencing March 15, 2016. The loan was guaranteed by certain shareholders of the Company.

(ii) In December 2017, the Company obtained a $1,000,000 working capital loan, of which $500,000 has been drawn at December 31, 2018. The loan matures and is repayable with accrued interest and a bonus payment on November 15, 2020. The loan is secured by a general security agreement and a life insurance policy on a shareholder of the Company and ranks in priority to any other loans. The loan bears interest on the drawn amount at a floating base rate plus 3.3% (a total of 8.6% at December 31, 2018). At its discretion, BDC may draw an excess cashflow sweep of up to $333,333 (or $167,000 if only $500,000 is drawn) in October of each year. A bonus on maturity is also payable as follows:

4.0% of the first $15,000,000 of the Company's consolidated value and 1% of the consolidated value exceeding $15,000,000. The consolidated value means the highest value of:

a) 5 times earnings before interest, taxes, depreciation, and amortization (EBITDA) of the Company for the last financial year from the bonus event;
b) Annual gross sales for the last fiscal year from the bonus event;
c) Fair market value of the Company;
d) The market value at the time the Company becomes listed on a stock exchange; and
e) Minimum bonus payment of $195,000 if the full $1,000,000 is drawn or $100,000 if only $500,000 is drawn.

BDC may demand the bonus payment at maturity, in an event of default, upon a change in control of the Company, sale of 50% or more of the Company's shares or assets, or the Company becoming listed on a stock exchange.

The Company incurred $9,989 of financing costs which are applied as a discount to the principal of the loan balance. On initial recognition, the Company determined the expected value of the bonus payment to be $100,000. Accordingly, the $500,000 loan less $9,989 of issuance costs will accrete to an ultimate value of $570,000 at maturity using an effective rate of 12%.

The Company will continue to evaluate the likelihood and amount of the minimum bonus payments and will adjust the effective interest rate and accretion prospectively such that the amortized cost at maturity is equal to the expected repayment amount.

The Company recognized accretion expense of $8,828 during the year ended December 31, 2018 (2018 - $8,862) in relation to this loan.

On January 3, 2019, the Company agreed to fix the maturity date of the $500,000 drawn as November 15, 2019.

6. Debt - continued

(iii) In March 2019, the Company issued $731,000 in convertible debentures. The convertible debentures bear interest at the rate of 8.0% per annum, calculated and payable in cash or in kind (pursuant to which the interest will accrue and be added to the principal amount) on the last business day of each calendar quarter. The convertible debentures are due on December 31, 2020 and are unsecured.

Upon a liquidity event (as defined below) the convertible debentures will be convertible at the option of the holder at any time prior to the close of business on the maturity date at a conversion price equal to the lesser of:
(i) the price that is a 20% discount to the liquidity event price; and
(ii) the price determined based on a pre-money value of $15 million (subject to adjustment).

If a liquidity event is not completed by September 15, 2019, or such other date as agreed by the parties, the holders of the convertible debentures are entitled to receive approximately 228,500 additional common shares of the Company on conversion of the convertible debentures.

A liquidity event is defined as meaning the occurrence of:
(a) an investment by a strategic investor for aggregate gross proceeds of at least $1 million; or
(b) either of the following which results in the Company's common shares being listed on a recognized Canadian stock exchange, and a concurrent financing to raise minimum gross proceeds of at least $5 million:
(i) the Company completing a bona fide public offering of common shares under a prospectus filed with securities regulatory authorities in Canada, or
(ii) the Company consummating a transaction, including a consolidation, amalgamation, merger, plan of arrangement, reverse takeover, qualifying transaction or any other business combination.

The debt component and the conversion feature were recognized as separate financial instruments based on their estimated fair values on initial recognition.

7. Share Capital and Reserves

(a) Share Capital

Authorized: Unlimited common shares

See Note 10 - Events after the reporting period.

(b) Stock Options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors, officers, employees, and consultants of the Company. The maximum term of any option cannot exceed ten years. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued and outstanding shares.

(Expressed in Canadian dollars)

7. Share Capital and Reserves – continued

(b) Stock Options - continued

A summary of the Company's stock option activity for the three months ended March 31, 2019 is as follows:

	Number Of Options		Weighted-Average Exercise Price
Outstanding, December 31, 2018	4,250,000	$	0.119
Outstanding, March 31, 2019	4,250,000	$	0.119

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at March 31, 2019 were are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.119	4,250,000	$0.119	9.65	Nil	N/A
Total	4,250,000	$0.119	9.65	Nil	N/A

Stock based compensation expense of $113,803 for the period ended March 31, 2019 relates to the vesting of stock options issued in 2018 (2018 - $16,700).

8. Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the three months ended March 31, 2019 and 2018 were as follows:

		2019		**2018**
Salaries and benefits	$	96,000	$	21,000
Stock based compensation expense		60,923		16,700
Total	$	156,923	$	37,700

9. Risk Management and Financial Risks

There were no changes to the Company's approach to capital management during the three-month period ended March 31, 2019.

Financial Risks

The Company's risk exposures and the impact on its financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had current assets of $696,669 (December 31, 2018 - $797,060) to settle current liabilities of $1,833,114 (December 31, 2018 - $838,867).

9. Risk Management and Financial Risks

Financial Risks - continued

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution and accounts receivable. The Company recognizes expected credit losses for trade and other receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date based on the age of the trade and other receivables.

10. Events After the Reporting Period

(a) On May 15, 2019, the Company entered into an amalgamation agreement (the "**Agreement**") with Vanadium 23 Capital Corporation ("**V23**") and 2696399 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of V23, pursuant to which the parties have agreed to complete a three-cornered amalgamation transaction which will result in the reverse take-over of V23 by the Company. Pursuant to the terms of the Agreement, Newco will amalgamate with the Company and, in connection with the Amalgamation, each holder of common shares of the Company will receive common shares in the capital of V23 and the amalgamated corporation will become a wholly owned subsidiary of V23 (the "**Transaction**"). Following the closing of the Transaction (the "**Closing**"), the business of V23 will be the business of FreePoint. The Closing is subject to the satisfaction or waiver of various closing conditions as provided in the Agreement. There is no assurance that the Transaction will be completed on its current terms or at all.

(b) On April 26, 2019, the Company completed a private placement of an aggregate of 500,000 units at a price of $0.20 per unit for gross proceeds of $100,000. Each unit was comprised of one common share and one half of one common share purchase warrant, with each whole warrant exercisable into one common share at a price of $0.30 per share until the date that is 12 months following the Closing.

(c) On May 2, 2019, the Company completed a private placement of an aggregate of 2,500,000 units at a price of $0.20 per unit for gross proceeds of $500,000. Each unit was comprised of one common share and one half of one common share purchase warrant and with each whole warrant exercisable into one common share at a price of $0.30 per share until the date that is 12 months following the Closing.

(d) On July 29, 2019, the Company obtained an unsecured bridge loan in the principal amount of $250,000. The loan bears interest at the rate of 10.0% per annum and has a maturity date of July 29, 2020, provided that the Company may prepay any amounts owing thereunder without penalty. It is expected that the loan will be repaid in connection with the Closing. Pursuant to the terms of the loan agreement, the Company has also agreed to issue the lender 125,000 common shares on receipt of the conditional approval of the CSE for the Transaction.

SCHEDULE "E"

Consolidated Audited Annual Financial Statements of FreePoint for the Years Ended December 31, 2018 and 2017

See attached

FREEPOINT TECHNOLOGIES INC.

Consolidated Annual Financial Statements

For the Year Ended December 31, 2018

Independent Auditor's Report

To the Shareholders of FreePoint Technologies Inc.:

Opinion

We have audited the consolidated financial statements of FreePoint Technologies Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of $2,416,780 during the year ended December 31, 2018 and, as of that date, the Company's accumulated deficit was $4,022,491. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

MNP LLP

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Mississauga, Ontario — Chartered Professional Accountants

August ●, 2019 — Licensed Public Accountants

MNP LLP

FreePoint Technologies Inc.
Consolidated Statements of Financial Position

As at December 31, 2018 and 2017
(Expressed in Canadian dollars)

		December 31 2018		December 31 2017
Assets				
Current				
Cash	$	316,141	$	609,978
Trade and other receivables *(note 12)*		394,920		111,111
HST recoverable		-		13,552
Income tax recoverable		30,351		96,225
Inventory		37,326		13,083
Prepaid expenses		18,322		5,296
		797,060		849,245
Property, plant and equipment *(note 7)*		57,688		19,902
	$	**854,748**	$	**869,147**
Liabilities				
Current				
Accounts payable and accrued liabilities	$	231,244	$	106,434
HST payable		6,310		-
Purchase price payable *(note 5)*		320,883		-
Deferred revenue		239,150		85,207
Current portion of long-term debt *(note 8)*		41,280		41,280
		838,867		232,921
Debt *(note 8)*		977,430		576,011
		1,816,297		**808,932**
Shareholders' Equity (Deficiency)				
Share capital *(note 9)*		3,023,008		1,665,926
Contributed surplus *(note 9)*		37,934		-
Deficit		(4,022,491)		(1,605,711)
		(961,549)		60,215
	$	**854,748**	**$**	**869,147**

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

Going concern (note 1)
Commitments (note 12)
Events after the reporting period (note 14)

On Behalf of the Board:

Signed: “●”, Director

Signed: “●”, Director

FreePoint Technologies Inc.
Consolidated Statements of Operations and Comprehensive Loss

For the years ended December 31, 2018 and 2017
(Expressed in Canadian dollars)

	December 31 2018	December 31 2017
Revenue		
Sales	$ 740,167	$ 661,712
Cost of sales	(394,490)	(452,338)
	345,677	209,374
Expenses		
Wages, salaries, and consulting	1,161,446	406,896
Advertising and promotion	142,099	141,049
Travel	201,135	91,727
Professional fees	154,431	49,058
Office and general	125,226	33,649
Communication	42,945	29,962
Insurance	22,715	17,768
Rent	30,779	12,600
Freight	19,351	9,593
Depreciation	7,493	3,050
Foreign exchange loss (gain)	6,861	(39,352)
Bad debt (gain) loss	(53,821)	106,018
Interest	101,797	14,495
	1,962,457	876,513
Net (loss) and comprehensive (loss) before impairment of goodwill	(1,616,780)	(667,139)
Impairment of goodwill	(800,000)	-
Net (loss) and comprehensive (loss) for the year	(2,416,780)	(667,139)
Weighted average number of shares outstanding	40,766,658	31,396,438
Basic and diluted loss per share	$ (0.06)	$ (0.02)

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

FreePoint Technologies Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the years ended December 31, 2018 and 2017
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, December 31, 2016	**29,120,000**	**999,280**	**-**	**(938,572)**	**60,708**
Issuance of common shares *(note 9(a)(iv))*	5,600,000	666,646	-	-	666,646
Net (loss) for the year	-	-	-	(667,139)	(667,139)
Balance, December 31, 2017	**34,720,000**	**1,665,926**	**-**	**(1,605,711)**	**60,215**
Issuance of common shares *(note 9(a)(i))*	7,980,000	949,966	-	-	949,966
Issued on acquisition *(notes 5 and 9(a)(iii))*	3,360,000	400,000	-	-	400,000
Issuance of stock options *(note 9(b))*	-	-	54,634	-	54,634
Exercise of stock options *(note 9(a)(ii))*	140,000	16,702	(16,700)	-	2
Issue costs	-	(9,586)	-	-	(9,586)
Net (loss) for the year	-	-	-	(2,416,780)	(2,416,780)
Balance, December 31, 2018	**46,200,000**	**3,023,008**	**37,934**	**(4,022,491)**	**(961,549)**

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

FreePoint Technologies Inc.
Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017
(Expressed in Canadian dollars)

	December 31 2018	December 31 2017
Operating activities		
Net (loss) for the year	$ (2,416,780)	$ (667,139)
Items not affecting cash:		
Depreciation	7,493	3,050
Impairment of goodwill	800,000	-
Share based compensation	54,634	-
Accretion expense	42,793	-
Unrealized loss on foreign exchange	5,909	-
Changes in non-cash working capital, net of working capital acquired		
Accounts receivable	(120,072)	85,121
HST recoverable / payable	19,862	(8,413)
Income tax recoverable	96,254	58,650
Prepaid expenses	(8,862)	(5,296)
Inventory	(23,889)	5,537
Accounts payable and accrued liabilities	55,944	17,818
Deferred revenue	88,062	33,024
Net cash flows provided by (used in) operating activities	**(1,398,652)**	**(477,648)**
Investing activities		
Acquisition *(note 5)*	(225,000)	-
Cash acquired *(note 5)*	65,837	-
Purchase of equipment	(35,120)	(15,403)
Net cash flows provided by (used in) investing activities	**(194,283)**	**(15,403)**
Financing activities		
Shares issued	940,380	666,646
Exercise of stock options	2	-
Subscriptions receipts	400,000	-
Proceeds from working capital loan, net of issue costs	-	490,011
Repayment of product development loan	(41,280)	(41,280)
Repayment of shareholder loan	-	(30,000)
Net cash flows provided by (used in) financing activities	**1,299,098**	**1,085,377**
(Decrease) increase in cash	**(293,837)**	**592,326**
Cash, beginning of year	**609,978**	**17,652**
Cash, end of year	**$ 316,141**	**$ 609,978**
Supplemental cash flow information:		
Interest paid	$ 8,803	$ 12,071
Taxes received	$ 96,254	$ 58,650

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

1. Nature of Business and Going Concern

FreePoint Technologies Inc. (the "**Company**" or "**FreePoint**") was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on January 25, 2013.

The Company's registered office is 825 Bradley Ave, London, ON N6E 3C2.

The Company has incurred losses and negative operating cash flows since its inception. As of December 31, 2018, the Company had an accumulated deficit of $4,022,491 (2017 - $1,605,711) and a working capital deficiency of $41,807 (2017 – working capital of $616,324). Given the Company's current working capital and the potential for further losses in future, the Company may not be able to meet its financial obligations and sustain its operations in the normal course of business. These conditions cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of Preparation and Use of Estimates and Judgements

Statement of Compliance

These consolidated financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRIC**").

These financial statements are prepared using IFRSs in effect at August •, 2019, the date the Board of Directors approved the consolidated financial statements. Significant accounting policies used in the preparation of the financial statements are described in Note 3.

Basis of Measurement

The consolidated financial statements of the Company were prepared on a historical costs basis except where certain financial instruments are required to be measured at fair value as described in the accounting policies, if applicable.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, CoreSolutions Software Inc. ("**CoreSolutions**") (see Note 5).

Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below:

i) The estimates used in determining the stock option fair values utilizes estimates made by management in determining the appropriate input variables in the Black-Scholes valuation model.
ii) Impairment of goodwill (note 6)
iii) Expected bonus payment on the BDC Loan (note 8(iii)).
iv) An "expected credit loss" impairment model requires an allowance to be recognized based on expected credit losses that require management's estimate and judgement related to the future probability of realized credit losses (note 12)

3. Summary of Significant Accounting Policies

Inventory

Inventory has been valued at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Cost for any work in progress includes the carrying value of all parts and components assembled. No allocation of direct or indirect labour or any non-assembly or manufacturing costs is made.

Intangible Assets

Patents: Costs incurred for patents and patents pending are capitalized and amortized from the date of issuance on a straight-line basis over their respective legal lives or economic life, if shorter. Costs incurred in successfully obtaining a patent are measured at cost less accumulated amortization and accumulated impairment losses. The cost of servicing the Company's patents is expensed as incurred. Where there is significant uncertainty as to whether the patent claim will be accepted, the Company will expense those costs.

Financial Instruments

IFRS 9 addresses classification and measurement of financial instruments and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only three categories: fair value through other comprehensive income, fair value through profit or loss, and amortized cost. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The Company has adopted this new standard effective January 1, 2017 on a retrospective basis.

*Fair Value Through Other Comprehensive Income ("**FVTOCI**")*
This category only includes equity instruments which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to so classify upon initial recognition or transition. Equity instruments in this category are subsequently measured at fair value with changes recognized in other comprehensive income, with no recycling of gains or losses to profit or loss upon derecognition. Dividend income is recognized in earnings. Equity instruments at FVTOCI are not subject to an impairment assessment under IFRS 9.

*Fair Value Through Profit or Loss ("**FVTPL**")*
This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected at initial recognition or transition to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics are not solely payments of principal and interest or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Amortized Cost
This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and financial liabilities not designated in FVTPL.

The assessment of the Company's business models was made as of the date of initial application, being January 1, 2016.

Balance	**Classification**
Cash	FVTPL
Trade and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

3. Summary of Significant Accounting Policies - continued

Revenue Recognition

On January 1, 2018, the Company adopted the new rules under *Revenue Recognition from Contracts with Customers* ("**IFRS 15**"). Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The following describes the specific revenue recognition criteria for each of the Company's specific elements of revenue:

Hardware	Revenue from the sale of hardware is recognized when delivery to the customer has occurred. Where the hardware has been delivered on a trial basis, revenue is not recognized until the customer indicates they are purchasing the hardware.
Installation	Revenue from the performance of installation services is recognized when the installation is complete.
Software	Revenue from software is recognized over the period-of-time the customer is permitted access to and use of the software.
Consulting	Revenue from consulting is recognized as the service is provided.

Business Combinations

The acquisition of a business is accounted for using the acquisition method. The consideration for an acquisition is measured at the aggregate of the fair values, at the date of exchange, of the assets transferred, the liabilities incurred to former owners of the acquired business, and equity instruments issued by the acquirer in exchange for control of the acquired business. The acquired business' identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date, except for income taxes which are measured in accordance with IAS 12, *Income Taxes*. To the extent that the aggregate of the fair value of consideration paid, the amount of any non-controlling interest outstanding after the transaction, and the fair value of any previously held interest in the business acquired, exceeds the fair value of the net identifiable tangible and intangible assets, goodwill is recognized. To the extent that this excess is negative, the excess is recognized as a gain in income.

Income Taxes

Income tax expense (recovery) comprises current and deferred tax and is recognized in the operations based on the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at year-end.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery, if any, are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

Impairment

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit ("**CGU**") to which goodwill relates. Where the recoverable amount of the CGU, including goodwill, is less than the carrying value, an impairment loss is recognized. Impairment losses related to goodwill cannot be reversed in future periods.

3. Summary of Significant Accounting Policies - continued

(Expressed in Canadian dollars)

Share-Based Payments

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock based on the fair value over the period of the vesting using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to capital share.

4. Accounting Standards Issued but Not Yet Effective

The following IFRS standards have been recently issued by the IASB. The Company is assessing the impact of these new standards on future consolidated financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Company have been excluded herein.

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, *Leases*, which will replace IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard will be effective for annual periods beginning on or after January 1, 2019.

The Company will be adopting IFRS 16 using the modified retrospective approach. The Company has three leases that fall within the scope of IFRS 16. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. The Company expects the adoption of this standards to increase total assets by approximately $49,120 by recording a right-of-use asset and a corresponding liability on adoption. Additionally, the Company expects an impact on the consolidated statements of operations and comprehensive loss from the reclassification of lease expense from operating expenses to depreciation and interest expense and an impact on the consolidated statements of cash flows from the reclassification of lease payments from operating to financing activities.

5. Acquisition of CoreSolutions Software Inc.

On December 31, 2018, the Company completed the acquisition of 100% of the shares of CoreSolutions. CoreSolutions is a software and custom database development firm. The acquisition was completed primarily for the purpose of acquiring CoreSolutions' assembled workforce. Under the terms of the acquisition, the Company issued 3,360,000 common shares valued at $400,000, paid $225,000 in cash, assumed $175,000 in amount payable, and will pay $145,883 as a working capital adjustment.

The acquisition of CoreSolutions was accounted for as a business combination. The total purchase was allocated to the net assets of CoreSolutions acquired as follows:

Purchase price:	
Common shares	$ 400,000
Cash and payables	545,883
	$ 945,883
Net assets acquired:	
Cash	$ 65,837
Trade and other receivables	163,737
Income tax recoverable	30,380
Inventory	354
Prepaid expenses	4,164
Property, plant and equipment	10,159
Accounts payable and accrued liabilities	(68,866)
Deferred revenue	(65,881)
Goodwill *(note 6)*	800,000
	$ 945,883

(Expressed in Canadian dollars)

6. Goodwill

Goodwill represents the excess of the purchase price of the business acquired over the fair value of the underlying net tangible and intangible assets acquired (see note 5) and had been attributed primarily to the value of the assembled workforce acquired, reflecting the cost savings to the Company of not having to hire these employees by other means. As at December 31, 2018, the Company performed an impairment assessment and determined that the value of its goodwill was fully impaired.

7. Property, Plant & Equipment

	Furniture and Fixtures	Equipment	Computer Hardware	Total
Cost				
Balance January 1, 2017	8,982	3,671		**12,653**
Purchases	15,403	-		**15,403**
Balance December 31, 2017	24,385	3,671	-	**28,056**
Purchases	34,325	795		**35,120**
Acquisition (note 5)	1,235	-	8,924	**10,159**
Balance December 31, 2018	59,945	4,466	8,924	**73,335**
Depreciation Method	20% Declining Balance	20% Declining Balance	30% Declining Balance	
Accumulated Depreciation				
Balance January 1, 2017	3,948	1,156	-	**5,104**
Depreciation	2,648	402		**3,050**
Balance December 31, 2017	6,596	1,558	-	**8,154**
Depreciation	6,991	502		**7,493**
Balance December 31, 2018	13,587	2,060	-	**15,647**
Net book value, January 1, 2017	5,034	2,515	-	**7,549**
Net book value, December 31, 2017	17,789	2,113	-	**19,902**
Net book value, December 31, 2018	46,358	2,406	8,924	**57,688**

(Expressed in Canadian dollars)

8. Debt

		December 31 2018		December 31 2017
BDC Product Development Loan (i)	$	86,000	$	127,280
BDC Working Capital Loan (ii)		532,804		490,011
Subscription receipts (iii)		400,000		-
		1,018,710		617,291
Less: current portion		41,280		41,280
	$	**977,430**	$	**576,011**

(iii) Product development loan bearing interest at a floating base rate plus 3% (payable monthly) and repayable with an initial principal payment of $3,723 on February 15, 2016 and 59 equal monthly principal payments of $3,440, commencing March 15, 2016. The loan was guaranteed by certain shareholders of the Company.

(iv) In December 2017, the Company obtained a $1,000,000 working capital loan, of which $500,000 was drawn at December 31, 2018. The loan matures and is repayable with accrued interest and a bonus payment on November 15, 2019, with an option to extend to November 15, 2020. The loan is secured by a general security agreement and a life insurance policy on a shareholder of the Company and ranks in priority to any other loans. The loan bears interest on the drawn amount at a floating base rate plus 3.3% (a total of 8.6% at December 31, 2018). At its discretion, BDC may draw an excess cashflow sweep of up to $333,333 (or $167,000 if only $500,000 is drawn) in October of each year. A bonus on maturity is also payable as follows:

4.0% of the first $15,000,000 of the Company's consolidated value and 1% of the consolidated value exceeding $15,000,000. The consolidated value means the highest value of:

f) 5 times earnings before interest, taxes, depreciation, and amortization ("EBITDA") of the Company for the last financial year from the bonus event;
g) Annual gross sales for the last fiscal year from the bonus event;
h) Fair market value of the Company;
i) The market value at the time the Company becomes listed on a stock exchange; and
j) Minimum bonus payment of $195,000 if the full $1,000,000 is drawn or $100,000 if only $500,000 is drawn with a 3-year maturity (with a 2-year maturity and $500,000 drawn, the bonus payment will be $70,000).

BDC may demand the bonus payment at maturity, in an event of default, upon a change in control of the Company, sale of 50% or more of the Company's shares or assets, or the Company becoming listed on a stock exchange.

The Company incurred $9,989 of financing costs which are applied as a discount to the principal of the loan balance. On initial recognition, the Company determined the expected value of the bonus payment to be $70,000. Accordingly, the $500,000 loan less $9,989 of issuance costs will accrete to an ultimate value of $570,000 at maturity using an effective rate of 12%.

The Company will continue to evaluate the likelihood and amount of the minimum bonus payments and will adjust the effective interest rate and accretion prospectively such that the amortized cost at maturity is equal to the expected repayment amount.

The Company recognized accretion expense of $42,793 during the year ended December 31, 2018 (2017 - $Nil) in relation to this loan.

On January 3, 2019, the Company agreed to fix the maturity date of the $500,000 drawn as November 15, 2019.

(iii) During the year, the Company received $400,000 of subscriptions for a future financing transaction. The amounts are non-interest bearing and due on demand (see note 14).

(Expressed in Canadian dollars)

9. Share Capital and Reserves

(a) Share Capital

Authorized: Unlimited common shares

Shares issued and outstanding

(i) During 2018, the Company issued 7,980,000 common shares at $0.119 per share for gross proceeds of $949,966.

(ii) During 2018, 140,000 stock options, initially valued at $16,700 on grant, were exercised for gross proceeds of $2.

(iii) During 2018, the Company issued 3,360,000 common shares valued at $400,000 on the acquisition of CoreSolutions (Note 5).

(iv) During 2017, the Company issued 5,600,000 common shares at $0.119 per share for gross proceeds of $666,646.

All amounts in these consolidated financial statements have been presented on a fully retrospective basis incorporating a 70,000 to 1 share consolidation completed during the year ended December 31, 2018.

(b) Stock Options

The Company has a stock option plan (the "**Plan**") under which the directors of the Company may grant options to qualified directors, officers, employees, and consultants of the Company. The maximum term of any option cannot exceed ten years. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued and outstanding shares.

A summary of the Company's stock option activity for the years ended December 31, 2018 and 2017 is as follows:

	Number Of Options		Weighted-Average Exercise Price
Outstanding, December 31, 2017 and 2016	-	$	-
Issued	140,000		0.000
Exercised	(140,000)		0.000
Issued	4,250,000		0.119
Outstanding, December 31, 2018	4,250,000	$	0.119

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2018 were as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.119	4,250,000	$0.119	9.90	Nil	N/A
Total	4,250,000	$0.119	9.90	Nil	N/A

(Expressed in Canadian dollars)

9. Share Capital and Reserves - continued

(b) Stock Options - continued

The fair value of the stock options issued during the year ended December 31, 2018 was determined as $37,934 using the Black-Scholes option pricing model using the following estimates and assumptions:

Number of options granted	140,000	2,570,000	1,680,000
Exercise price	$0.00	$0.12	$0.12
Risk free rate	1.98%	1.98%	1.98%
Dividend yield	0.00%	0.00%	0.00%
Expected stock volatility	100.00%	100.00%	100.00%
Expected life	1 year	10 years	10 years
Total fair value on grant	$16,700	$282,700	$184,800
Vesting	Immediately	(i)	(ii)
Vested during the period	$16,700	$17,626	$20,308

(i) 50% vest on December 31, 2019; 25% vest on May 31, 2020; and 25% vest on December 31, 2020.
(ii) 50% to vest on completion of a financing and 50% on achievement of various performance conditions (which were achieved on June 30, 2019).

10. Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the years ended December 31, 2018 and 2017 were as follows:

		2018		2017
Salaries and benefits	$	148,430	$	42,000
Value of stock options issued during the year	$	201,500	$	-
Value of stock options expensed during the year	$	37,008	$	-
Value of stock options to be expensed in a future period	$	164,492	$	-

11. Income Taxes

The Company has not yet generated taxable income from operations.

The Company has not recognized a deferred tax asset is respect of its deductible temporary differences because it is not probable that future taxable profit will be generated against which the Company can utilize the benefits therefrom.

The Company’s non-capital losses will expire as follows:

2033	$ 164,275
2034	212,959
2035	288,121
2036	225,442
2037	481,210
2038	1,563,434
	$ 2,935,441

(Expressed in Canadian dollars)

12. Risk Management and Financial Risks

Capital Management

The Company manages its shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt. There can be no assurance that the Company will be able to obtain debt or equity capital. The Company is not subject to any externally imposed capital requirements.

Financial Risks

The Company's risk exposures and the impact on its financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company had current assets of $797,060 (December 31, 2017 - $849,245) to settle current liabilities of $838,867 (December 31, 2017 - $232,921).

Credit Risk

The credit risk relates to the cash on hand, which is held in a single financial institution, and accounts and other receivables. The Company recognizes expected credit losses for trade and other receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date based on the age of the trade and other receivables. The Company's trade and other receivables and expected credit losses are as follows:

		2018		**2017**
Trade and other receivables, gross	$	444,075	$	228,851
Expected credit losses		(49,155)		(117,740)
Trade and other receivables, net	$	394,920	$	111,111

13. Commitments

The Company is party to a lease for its premises until April 30, 2021 at a rate of $29,096 per year.

14. Events After the Reporting Period

(a) On March 31, 2019, the Company completed the offering of unsecured convertible debentures in the aggregate principal amount of $731,000.

(b) On May 15, 2019, the Company entered into an amalgamation agreement (the "**Agreement**") with Vanadium 23 Capital Corporation ("**V23**") and 2696399 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of V23, pursuant to which the parties have agreed to complete a three-cornered amalgamation transaction which will result in the reverse take-over of V23 by the Company. Pursuant to the terms of the Agreement, Newco will amalgamate with the Company and, in connection with the Amalgamation, each holder of common shares of the Company will receive common shares in the capital of V23 and the amalgamated corporation will become a wholly owned subsidiary of V23 (the "**Transaction**"). Following the closing of the Transaction (the "**Closing**"), the business of V23 will be the business of FreePoint. The Closing is subject to the satisfaction or waiver of various closing conditions as provided in the Agreement. There is no assurance that the Transaction will be completed on its current terms or at all.

(c) On April 26, 2019, the Company completed a private placement of an aggregate of 500,000 units at a price of $0.20 per unit for gross proceeds of $100,000. Each unit was comprised of one common share and one half of one common share purchase warrant, with each whole warrant exercisable into one common share at a price of $0.30 per share until the date that is 12 months following the Closing.

14. Events After the Reporting Period - continued

(d) On May 2, 2019, the Company completed a private placement of an aggregate of 2,500,000 units at a price of $0.20 per unit for gross proceeds of $500,000. Each unit was comprised of one common share and one half of one common share purchase warrant and with each whole warrant exercisable into one common share at a price of $0.30 per share until the date that is 12 months following the Closing.

(e) On July 29, 2019, the Company obtained an unsecured bridge loan in the principal amount of $250,000. The loan bears interest at the rate of 10.0% per annum and has a maturity date of July 29, 2020, provided that the Company may prepay any amounts owing thereunder without penalty. It is expected that the loan will be repaid in connection with the Closing. Pursuant to the terms of the loan agreement, the Company has also agreed to issue the lender 125,000 common shares on receipt of the conditional approval of the CSE for the Transaction.

CERTIFICATE OF THE ISSUER

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Vanadium 23 Capital Corporation as required by the securities legislation of British Columbia and Ontario.

Dated at Vancouver, British Columbia this 14th day of August, 2019.

"David Patterson"	*"Colin Watt"*
David Patterson Chief Executive Officer and Director	Colin Watt Chief Financial Officer and Director

CERTIFICATE OF FREEPOINT

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by FreePoint Technologies, Inc. as required by the securities legislation of British Columbia and Ontario.

Dated at London, Ontario this 14th day of August, 2019.

"John Traynor"	*"Christopher Carmichael"*
John Traynor Chief Executive Officer	Christopher Carmichael Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"David Eto"	*"Richard Kostoff"*
David Eto Director	Richard Kostoff Director