

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

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States of America, and may not be offered or sold in the United States unless registered under applicable securities laws or unless an exemption from such registration is available.

PRELIMINARY PROSPECTUS

Initial Public Offering

Dated: October 9, 2019

Holly Street Capital Ltd.
(a Capital Pool Company)

\$250,000 or 2,500,000 Common Shares

PRICE: \$0.10 PER COMMON SHARE

Holly Street Capital Ltd. (the "**Corporation**") hereby offers through its agent, Echelon Wealth Partners Inc. (the "**Agent**"), an aggregate total of 2,500,000 Common Shares (as defined herein) in the capital of the Corporation for sale to the public at a price of \$0.10 per Common Share (the "**Offering**"). The purpose of the Offering is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereafter defined). Any proposed Qualifying Transaction must be approved by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval (as hereafter defined), in accordance with Exchange Policy 2.4 (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**") as defined in the CPC Policy. It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "*Business of the Corporation*" and "*Use of Proceeds*".

| | Price to the Public | Agent’s Commission⁽²⁾ | Proceeds to the Corporation⁽³⁾ |
|-------------------------------|----------------------------|---|--|
| Per Common Share | \$0.10 | \$0.01 | \$0.09 |
| Offering⁽¹⁾ | \$250,000 | \$25,000 | \$225,000 |

Notes:

- (1) 2,500,000 Common Shares are offered hereunder, not including the Agent’s Options (as defined herein) or the Directors’ and Officers’ Options (as defined herein). The Agent’s Options and Directors’ and Officers’ Options are qualified for distribution under this prospectus. See “*Plan of Distribution*” and “*Options to Purchase Securities*”.
- (2) The Agent will receive the Agent’s Commission being a cash commission of 10% of the proceeds of the Offering. The Corporation will reimburse the Agent for expenses incurred in connection with this Offering including legal fees, taxes and disbursements. See “*Plan of Distribution*”. The Corporation will also pay the Agent the Corporate Finance Fee of \$10,000 plus applicable taxes and will grant the Agent the Agent’s Options. See “*Options to Purchase Securities – Agent’s Options*”.
- (3) Before deducting the costs of this issue, estimated at approximately \$75,000, exclusive of the Agent’s Commission, and inclusive of the legal and audit fees and other expenses of the Corporation, the Corporate Finance Fee, expenses and legal fees of the Agent and the listing fees payable to the Exchange. See “*Use of Proceeds*”.
- (4) Unless an amendment to the final prospectus is filed and a receipt is issued by the “principal regulator” under National Policy 11-202 - *Process for Prospectus Review in Multiple Jurisdictions* (“NP 11-202”) for the amendment, the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the final prospectus.

This Offering is made on a commercially reasonable efforts basis by the Agent and is subject to a minimum subscription of the offering of 2,500,000 Common Shares for total gross proceeds to the Corporation of \$250,000 (the “**Subscription**”). The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as defined herein). Unless an amendment to the final prospectus is filed and a receipt has been issued by the “principal regulator” under NP 11-202 for the amendment, if the Subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or 90 days from the date of the receipt of the amended final prospectus, or in any event no later than 180 days after the date of the receipt of the final prospectus, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

Pursuant to the Agency Agreement, the Agent will be granted the Agent’s Options which entitle the Agent to purchase up to 10% of the Common Shares sold in connection with the Offering, each Agent’s Option exercisable into one Common Share at a price of \$0.10 per Common Share for a period of 24 months from the Closing Date (as defined herein). The Agent’s Options are qualified under this prospectus for distribution. In addition, and subject to regulatory approval, the Corporation intends to grant the Directors’ and Officers’ Options which are also qualified for distribution under this prospectus. See “*Options to Purchase Securities*”.

Market for Securities

There is currently no market through which the Common Shares offered by this prospectus may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. See “*Risk Factors*”.

As at the date of this prospectus, the Corporation 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, a U.S. marketplace, or a marketplace outside Canada and the United States of America or the Alternative Investment Market of the London Stock Exchange or the markets operated by Plus Markets Group plc.

The Corporation has applied to list its Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Options and the Directors' and Officers' Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus was issued, and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the securities commissions grant a discretionary order.

Investment in the Common Shares offered by this Prospectus is highly speculative due to the nature of the Corporation's business and its present stage of development. This Offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues per Common Share) of approximately or \$0.0222 per Common Share or 22.2%.

The Corporation was only recently incorporated and has no active business and does not currently own any assets other than cash. The business objective of the Corporation is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction approved by the Exchange and if the proposed transaction is non-arm's length, it is also subject to the approval of the Majority of the Minority Approval of the Corporation's shareholders; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. **Although the Corporation has commenced the process of identifying potential acquisitions, the Corporation has yet to enter into any negotiations with respect to such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic.**

The Corporation has not entered into an Agreement in Principle (as hereafter defined). The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the Listing Date. The securities commissions may issue cease trade orders if the Corporation is delisted from the Exchange. In addition, delisting of the Common Shares may result in the cancellation of all of the Common Shares owned by insiders issued prior to this Offering.

Investors must rely solely on the expertise of the Corporation's promoters, directors and officers for any possible return on their investment. The Corporation's Promoters, directors, officers and Control Persons, and their Associates and Affiliates, as a group, beneficially own or control, directly or indirectly, 2,000,000 Common Shares, which represents 100% of the issued and outstanding Common Shares before giving effect to this Offering, and approximately 44.4% of the issued and outstanding Common Shares after giving effect to the Offering.

No Members of a Pro Group, as a group, beneficially own or control, directly or indirectly, any Common Shares. The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. See "*Dilution*", "*Business of the Corporation*", "*Directors, Officers and Promoters*", "*Use of Proceeds*", "*Conflicts of Interest*", and "*Risk Factors*".

No person is authorized by the Corporation to provide any information or to make any representations other than those contained in this prospectus in connection with the issue and sale of the securities offered pursuant to this prospectus. See "*Plan of Distribution*".

Maximum Investment

Pursuant to CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2%, or 50,000 (\$5,000) of the total Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4%, or 100,000 (\$10,000) of the total number of Common Shares offered under this prospectus.

Receipt of Subscriptions

The Common Shares are offered subject to prior sale, if, as and when subscriptions are accepted by the Corporation and in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of McMillan LLP, Barristers and Solicitors, Vancouver, B.C. on behalf of the Corporation and by the Agent’s Counsel, Borden Ladner Gervais LLP on behalf of the Agent, of such legal matters for which approval has been specifically sought by the Corporation or the Agent. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery on the Closing Date (as defined herein) of the Offering unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

Agent for the Offering:

**Echelon Wealth Partners Inc.
2100 – 1 Adelaide Street East
Toronto, ON M5C 2V9
T: (416) 572-5523**

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ACKNOWLEDGEMENT – PERSONAL
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GLOSSARY

“**Affiliate**” means a Company that is affiliated with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Agency Agreement**” has the meaning ascribed to it under the heading “*Name of Agent and Agent’s Compensation – Plan of Distribution*”.

“**Agent**” means Echelon Wealth Partners Inc.

“**Agent’s Commission**” means the total commission equal to 10% of the gross proceeds of this Offering payable in cash to the Agent.

“**Agent’s Counsel**” means Borden Ladner Gervais LLP.

“**Agent’s Options**” has the meaning ascribed to it under the heading “*Options to Purchase Securities – Agent’s Options*”.

“**Aggregate Pro Group**” means all Persons who are members of any Pro Group whether or not the Member is involved in a contractual relationship with the Issuer to provide financing sponsorship and other advisory services.

“**Agreement in Principle**” means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non-Arm's Length Parties to the CPC or the Non-Arm's Length Parties to the Qualifying Transaction.

“Associate” when used to indicate a relationship with a Person, means

- (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity,
- (d) in the case of a Person who is an individual
 - (i) that Person's spouse or child, or
 - (ii) any relative of that Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

“Closing” means the completion of the Offering.

“Closing Date” means the date of Closing.

“Common Shares” means the common shares in the capital of the Corporation without par value.

“Company” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“Completion of the Qualifying Transaction” means the date of the Final Exchange Bulletin is issued by the Exchange.

“Control Person” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding Voting Shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

“Corporation” means Holly Street Capital Ltd.

“Corporate Finance Fee” means a corporate finance fee of \$10,000 plus H.S.T. payable to the Agent upon Closing.

“CPC” means a corporation:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (b) in regard to which the Final Exchange Bulletin has not yet been issued.

“**CPC Policy**” means Exchange Policy 2.4 – Capital Pool Companies, available for review at www.tsx.com/en/pdf/Policy2-4.pdf.

“**Directors’ and Officers’ Options**” has the meaning ascribed to it under the heading “*Options to Purchase Securities*”.

“**Escrow Agent**” means Olympia.

“**Exchange**” means the TSX Venture Exchange Inc.

“**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“**Founder’s Escrow Agreement**” has the meaning ascribed to it under the heading “*Securities Escrowed Prior to Completion of the Qualifying Transaction – Escrowed Shares*”.

“**Holding Company**” has the meaning ascribed to it under the heading “*Securities Escrowed Prior to Completion of the Qualifying Transaction – Escrowed Shares*”.

“**Insider**” if used in relation to an Issuer, means:

- (a) a director 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 Shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

“**Initial Public Offering**” or “**IPO**” means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first Prospectus.

“**Initial Release**” has the meaning ascribed to it under the heading “*Securities Escrowed Prior to Completion of the Qualifying Transaction – Escrowed Shares*”.

“**Issuer**” means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange.

“**Investor Relations Activities**” has the meaning assigned by Exchange Policy 1.1;

“**Listing Date**” means the date upon which the Common Shares are first listed for trading on the Exchange.

“**Majority of the Minority Approval**” means the approval of a Non-Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) Non-Arm’s Length Parties to the CPC;
- (b) Non-Arm’s Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own shares, the CPC, and

- (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction

at a properly constituted meeting of the common shareholders of the CPC.

“**MCTO**” means management cease trade order.

“**Member**” has the meaning in Rule A 1.00 of the Exchange Rule Book.

“**NEX**” means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange tier maintenance requirements for Tier 2 issuers may continue to trade.

“**Non-Arm’s Length Parties to the Qualifying Transaction**” means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm’s Length Parties of the Vendor(s), the Non-Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

“**Non-Arm’s Length Party**” means in relation to a Company, a promoter, officer, director, other insider or Control Person of that Company) including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, insider or Control Person.

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.

“**Offering**” has the meaning ascribed to it on the face page of this Prospectus.

“**Olympia**” means Olympia Trust Company.

“**Optionees**” has the meaning ascribed to it under the heading “*Stock Option Plan – Options to Purchase Securities*”.

“**Option Plan**” has the meaning ascribed to it under the heading “*Stock Option Plan – Options to Purchase Securities*”.

“**Permitted Reimbursement**” has the meaning ascribed to it under the heading “*Executive Compensation*”.

“**Person**” means a Company or individual.

“**Plans**” has the meaning ascribed to it under the heading “*Eligibility for Investment*”.

“**Principal**” means

- (a) a Person who acted as a Promoter of the Issuer within two years or their respective Associates or Affiliates before the IPO Prospectus or the Final Exchange Bulletin;
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO Prospectus or Final Exchange Bulletin;
- (c) a **20% holder** – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non-IPO transactions;
- (d) a **10% holder** – a Person that

- (i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
- (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals' will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals' securities of the entity and the total securities of the entity outstanding.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and any relatives of the Principal or spouse that live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

"Pro Group" means:

- (a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:
 - (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) the Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) the Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) the Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:
 - (i) the Person is an affiliate or associate of the Member acting at arm's length of the Member;
 - (ii) the associate or affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

"Promoter" has the meaning specified under the heading 1(1) of the *Securities Act* (British Columbia).

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

“**Resulting Issuer**” means the Issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin.

“**Seed Shares**” means securities issued before an Issuer’s IPO, regardless of whether the securities are subject to resale restrictions or are free trading.

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.

“**Sponsor**” means a Member that meets the criteria specified in *Policy 2.2 – Sponsorship and Sponsorship Requirements*, which has an agreement with an Issuer to undertake the functions of sponsorship as required by the policy and various other Exchange policies.

“**Subscription**” has the meaning ascribed to it in the Introduction Section of this prospectus.

“**Surplus Security Escrow Agreement**” has the meaning ascribed to it under the heading “*Escrowed Securities on Qualifying Transaction – Escrowed Shares*”.

“**Target Company**” means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

“**Tax Act**” has the meaning ascribed to it under the heading “*Eligibility for Investment*”.

“**Transfer Agent**” means Olympia.

“**TFSA**” has the meaning ascribed to it under the heading “*Eligibility for Investment*”.

“**Value Security Escrow Agreement**” has the meaning ascribed to it under the heading “*Escrowed Securities on Qualifying Transaction – Escrowed Shares*”.

“**Vendors**” means one or all of the beneficial owners, of the Significant Assets (other than a Target Company).

PROSPECTUS SUMMARY

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

- CORPORATION:** The Corporation was incorporated in British Columbia on July 31, 2019 under the name of Holly Street Capital Ltd. See “*Narrative Description of the Business.*”
- BUSINESS OF THE CORPORATION:** The Corporation is a Capital Pool Company as defined in the CPC Policy. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See “*Business of the Corporation.*”
- OFFERING:** A total of 2,500,000 Common Shares are being offered under this prospectus at a price of \$0.10 per Common Share. In addition, the Corporation will grant the Agent’s Options to purchase up to 250,000 Common Shares at a price of \$0.10 per Common Share which will be exercisable for a period of 24 months from the Closing Date, which options are qualified under this prospectus. The Corporation also intends to grant, at Closing, the Directors’ and Officers’ Options to purchase up to 450,000 Common Shares to directors and officers, all of which options are qualified for distribution under this prospectus.
- DIRECTORS AND MANAGEMENT:** The Directors and Officers of the Corporation are as follows:
- Joel Freudman – *Chief Executive Officer and Director*
- Ryan Cheung – *Chief Financial Officer and Corporate Secretary*
- Trumbull Grant Fisher – *Director*
- Damian Lopez – *Director*
- See “*Management and Key Personnel*” and “*Directors, Officers and Promoters.*”
- AGENT:** Echelon Wealth Partners Inc.
- USE OF PROCEEDS:** The Offering proceeds net of the \$25,000 representing the Agent’s Commission, and the total estimated expenses of this Offering estimated at \$75,000 (including the Corporate Finance Fee) will be \$150,000. The net proceeds of this Offering will be used together with the proceeds from the prior sale of Common Shares in the amount of \$100,000 to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating business or assets.
- ESCROWED SECURITIES:** All of the Common Shares which were issued to Insiders of the Corporation, any Pro Group members, or at a price below \$0.10 per Common Share, being 2,000,000 Common Shares issued and outstanding, will be deposited in escrow pursuant to the terms of the Founders’ Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See “*Escrowed Securities.*”

RISK FACTORS:

The Corporation was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. **Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment.** The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of approximately 22.2% or \$0.0222 per Common Share. There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transactions. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction. If the Corporation does not list the Common Shares on the Exchange prior to the time of Closing in the manner contemplated in this prospectus under the section "*Eligibility for Investment*", adverse tax consequences, may occur with respect to any Common Shares held in the Plans.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. See "*Business of the Corporation*", "*Officers and Directors*", "*Capitalization*", "*Dilution*" and "*Risk Factors*".

THE CORPORATION

Holly Street Capital Ltd. was incorporated on July 31, 2019 under the *Business Corporations Act* (British Columbia). The Corporation is a Capital Pool Company as defined in the CPC Policy (more particularly described below). The head office and the registered and records office of the Corporation is located at Suite 1500, 1055 West Georgia Street, Vancouver, BC V6E 4N7, telephone: (604) 689-9111, fax: (604) 685-7084.

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As of the date hereof, the Corporation has incurred or accrued preliminary expenses with respect to legal fees and expenses (including general legal services and costs associated with the incorporation and organization of the Corporation) and audit fees totalling approximately \$7,500, and the Corporation has advanced a retainer to the Agent for expenses, including legal fees, in the aggregate amount of \$10,000 plus taxes. The Corporation has also paid \$10,000 plus taxes to the Agent for the Corporate Finance Fee.

Upon completion of the Offering, the deposit which has been paid to the Agent, will be applied towards the payment of the expenses of the Agent and Agent's Counsel.

Certain of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the present Offering, including the expenses of its auditors, legal counsel, the Agent (including the Agent's Counsel), the fees of the Exchange and the securities commissions. See "*Use of Proceeds*".

Proposed Operations Until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted commercial operations. The Corporation has not determined to focus on any particular business sector or industry in pursuing a Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under the headings "*Private Placement for Cash*", and "*Restrictions on Use of Proceeds*", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

Method of Financing

The Corporation may use either cash, bank financing, the issuance of treasury shares or public financing of debt or equity, or a combination of the foregoing, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.** See "*Risk Factors*".

Criteria for a Qualifying Transaction

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Common Shares until the filing requirements of the Exchange have been satisfied as set forth under the heading "*Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non-Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR, or
- (b) mail the information circular and related proxy materials to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

Unless waived by the Exchange, the Corporation will also be required to retain a Sponsor, who must be a member of the Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the policies of the Exchange. The Corporation will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- a) in the case of a Non-Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;
- b) confirmation of closing of the Qualifying Transaction; and
- c) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Potential Qualifying Transactions

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's minimum listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer, or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, Completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents, as applicable, within the time required. A trading halt may also be imposed if the Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation will wind up and will make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the issuer or its remaining assets in some other manner.

If the CPC has not completed a Qualifying Transaction within the time frame prescribed by CPC Policy, it may apply for listing on NEX rather than be delisted. In order to be eligible for NEX, the CPC must:

- (a) obtain majority shareholder approval for the transfer to NEX exclusive of the votes of Non-Arm's Length Parties to the CPC; and
- (b) either:
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC at a discount to the IPO price, in accordance with CPC Policy, as if the CPC had delisted from the Exchange; or
 - (ii) subject to majority shareholder approval, cancel an amount of the Seed Shares purchased by Non-Arm's Length Parties to the CPC so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

CPCs listing on NEX must continue to comply with all of the requirements and restrictions of CPC Policy. See "*Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction*".

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable minimum listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by
 - (i) a member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; and
 - (iii) associates of any such person;collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$250,000. The gross proceeds received by the Corporation from the sale of Common Shares prior to the date of this prospectus was \$100,000, which together with the proceeds from the Common Shares offered by this prospectus, less amounts incurred to date, being \$7,500, provides an estimated total of approximately \$342,500, available for expenditure had the Offering completed as of the date hereof. The balance of the Offering expenses are estimated at \$100,000, including the Agent's Commission. The available funds to the Corporation after completion of the Offering will be approximately \$242,500. Assuming the Corporation requires the maximum period of 24 months to identify a Qualifying Transaction, corporate and administrative expenses and legal, audit and other fees not related to the Qualifying Transaction are estimated to be \$35,000, leaving the Corporation with approximately \$207,500 (excluding interest thereon) to identify and evaluate potential acquisitions and complete the Qualifying Transaction.

The following indicates the principal uses to which the Corporation proposes to use the total funds available to it upon the completion of this Offering:

| Proceeds to the Corporation | Offering |
|---|---------------------------------|
| Gross cash proceeds raised prior to this Offering (Seed Shares) ⁽¹⁾ | \$100,000 |
| Costs of issuing Seed Shares | \$Nil |
| Expenses and costs incurred to date | <u>\$(17,500)⁽²⁾</u> |
| Current funds available | \$92,500 |
| Gross cash proceeds to be raised pursuant to this Offering | \$250,000 |
| Estimated expenses and costs relating to the Offering ⁽³⁾ | <u>\$(90,000)</u> |
| Estimated funds available on completion of the Offering to complete the Qualifying Transaction⁽⁴⁾ | \$242,500 |
| Estimated general and administrative expenses until Completion of a Qualifying Transaction ⁽⁵⁾ | \$ (35,000) |
| Estimated funds available for identifying and evaluating assets or business prospects⁽⁴⁾⁽⁵⁾⁽⁶⁾ | \$207,500 |

Notes:

- (1) See “*Prior Sales*”.
- (2) Includes the Corporation’s legal fees incurred to date of approximately \$5,000, the Corporation’s audit fees incurred to date of approximately \$2,500, and the Corporate Finance Fee and retainer advanced to the Agent for expenses, including legal fees, in the aggregate amount of \$20,000 plus taxes.
- (3) Includes listing and filing fees, the Corporation’s legal and audit fees, the Agent’s Commission, the Agent’s legal fees and printing expenses. In the event the Agent exercises all of the Agent’s Options, and the directors and officers exercise the Directors’ and Officers’ Options, there will be available to the Corporation a maximum of an additional \$60,000, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (4) In the event the Agent exercises all of the Agent’s Options, and the directors and officers exercise the Directors’ and Officers’ Options, there will be available to the Corporation a maximum of an additional \$70,000, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (5) This estimate assumes that it takes the Corporation 24 months to identify and complete a Qualifying Transaction.
- (6) In the event that the Corporation enters into an Agreement in Principle prior to spending this entire amount on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Corporation’s purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sales of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit. See “*Risk Factors*”.

Permitted Use of Funds

Until the Completion of a Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “*Restrictions on Use of Proceeds*”, “*Private Placements for Cash*” and “*Prohibited Payments to Related Parties*”, the gross proceeds realized from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

- (i) valuation or appraisals;
- (ii) business plans;
- (iii) feasibility studies and technical assessments;
- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) Agent's fees, costs and commissions;

relating to the identification and evaluation of assets or businesses and in the case of a Non-Arm's Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction.

In addition, with the prior acceptance by the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed arm's length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, no more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included as "Permitted Uses of Funds", listed above, include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Corporation, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and share certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under "Permitted Use of Funds".

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the Closing and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "*Options to Purchase Securities*" and "*Restrictions on Use of Proceeds*", the Corporation has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Corporation or a Non-Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses, and
- (b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse a Non-Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or, in the case of a law firm, no member of the firm owns greater than 10% of the outstanding Common Shares), and the Corporation may also reimburse a Non-Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "*Permitted Use of Funds*".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non-Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Name of Agent and Agent's Compensation

Pursuant to an agency agreement between the Corporation and the Agent dated ●, 2019 (the "**Agency Agreement**"), the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public a total of 2,500,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, for gross proceeds of \$250,000, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares (\$25,000). In addition, the Corporation has paid to the Agent the Corporate Finance Fee. The Corporation will also pay the Agent's expenses, including legal fees and other reasonable expenses (excluding taxes and disbursements), estimated at \$●. The Corporation has paid the Agent a \$10,000 retainer for such expenses.

The Corporation has also agreed to grant to the Agent the Agent's Options to purchase that number of Common Shares that is equal to 10% of the Common Shares sold in connection with this Offering (being 250,000 Common Shares) at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the Closing Date. The grant of the Agent's Options is qualified under this prospectus. Not more than 50% of the Common

Shares received on the exercise of the Agent's Options may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering and Maximum Distribution

The total Offering is of 2,500,000 Common Shares for total gross proceeds of \$250,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2%, or 50,000 of the total Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates and Affiliates of that purchaser is 4%, or 100,000 of the total number of Common Shares under the Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until proceeds of \$250,000 have been deposited. The Subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Until August 13, 2021, and only if the Offering has been completed by the Agent, the Corporation or any entity with which the Corporation is entering into a business combination for purposes of completing the Qualifying Transaction, or any of their respective affiliates (collectively, the "**Companies**") undertakes a public or private offering, involving an agent, of debt, equity or equity-based securities, or, engages in any corporate transaction involving a merger or acquisition with industry peers, potential partners, or for property acquisitions, or, if the Companies otherwise require financial advisory services, the Agent shall have a right: (i) of participation to serve as, at a minimum, an agent forming a syndicate for such financing; or (ii) to act as an advisor for such financial advisory engagement, as applicable (the "**Right of Participation**"). In the event that the Right of Participation is exercised by the Agent, the Corporation or other applicable corporate entity and the Agent will enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions. The foregoing Right of Participation must be exercised by the Agent within five (5) business days following written notification from the Corporation that the Corporation or any of the Companies requires or proposes to obtain additional financing or financial advisory services, failing which the Agent shall relinquish its rights with respect to that particular engagement only. If, prior to, or within 90 days after, providing the Agent with such written notice, the Corporation has received an offer from a third party to serve as lead manager or exclusive placement agent in connection with a brokered financing engagement, the terms upon which such third party has proposed to act in such capacity shall be disclosed to the Agent by the Corporation in writing, and the Agent shall have the ability to exercise their Right of Participation by notifying the Corporation, within five (5) business days following written notification from the Corporation, of its intention to match the terms.

Other Securities to Be Distributed

The Corporation will grant 250,000 Agent's Options and 450,000 Directors' and Officers' Options in accordance with the policies of the Exchange, which options are qualified for distribution under the prospectus. See "*Options to Purchase Securities*".

Determination of Price

The distribution price of \$0.10 per Common Share was determined by negotiation between the Corporation and the Agent by reference to the CPC Policy.

Listing of the Common Shares

The Corporation has applied to list its Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates and Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to CPC Policy.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the total issued and outstanding Common Shares exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 "*Filing Requirements and Continuous Disclosure*". Such participants are permitted to subscribe for Common Shares pursuant to the Offering, subject to (i) compliance with any applicable client priority rules, and (ii) the restrictions applicable to all purchasers under the Offering described under "*Plan of Distribution*".

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Pro Group or any Associate or Affiliate of the foregoing have subscribed for Common Shares.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Options and the Directors' and Officers' Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the applicable securities regulatory authority and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof: 2,000,000 Common Shares are issued and outstanding as fully paid and non-assessable; 2,500,000 Common Shares are reserved for issuance under this prospectus; 450,000 Common Shares are reserved for issuance pursuant to the exercise of the Directors' and Officers' Options; and 250,000 Common Shares are reserved for issuance pursuant to the exercise of the Agent's Options. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Common Share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable.

CAPITALIZATION

| | Amount Authorized for the Offering | Amount outstanding as of the date of the most recent balance sheet contained in the prospectus ⁽¹⁾⁽⁴⁾ | Amount outstanding as at the date hereof, before giving effect to the Offering ⁽¹⁾⁽⁴⁾ | Amount outstanding after giving effect to the Offering ⁽³⁾⁽⁴⁾ |
|----------------------|---------------------------------------|---|---|---|
| Common Shares | Unlimited | \$100,000 (2,000,000 Common Shares) | \$100,000 (2,000,000 Common Shares) | \$350,000 ⁽²⁾ (4,500,000 Common Shares) |

Notes:

1. As of the date hereof, the Corporation had not commenced commercial operations or actively searching for a business of merit.
2. The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be \$250,000 and the gross proceeds from the sale of Seed Shares was \$100,000, all before deducting the costs of the Offering, estimated at approximately \$100,000, inclusive of the Agent's Commission, legal and audit fees and other expenses of the Corporation, the Corporate Finance Fee, expenses and legal fees of the Agent and the listing fees payable to the Exchange. See "Use of Proceeds".
3. 2,000,000 Common Shares issued to Insiders, and Affiliates and Associates of Insiders, of the Corporation or at a price below \$0.10 per Common Share are held in escrow in accordance with CPC Policy. See "Escrowed Shares".
4. Excludes any Common Shares issuable upon the exercise of the Directors' and Officers' Options (see "Options to Purchase Securities") and the Agent's Options (see "Plan of Distribution").

OPTIONS TO PURCHASE SECURITIES

Directors' and Officers' Options

On Closing the Corporation will grant to its directors and officers options to purchase up to 450,000 Common Shares at a price of \$0.10 per Common Share pursuant to the terms of the Option Plan (the "**Directors' and Officers' Options**") and will have outstanding the following options to purchase Common Shares:

| Name of Optionee | Number of Options | Exercise Price per Common Share | Expiry Date |
|-----------------------|-----------------------|------------------------------------|----------------------------------|
| Trumbull Grant Fisher | 112,500 | \$0.10 | 10 years after the date of grant |
| Ryan Cheung | 112,500 | \$0.10 | 10 years after the date of grant |
| Damian Lopez | 112,500 | \$0.10 | 10 years after the date of grant |
| Joel Freudman | 112,500 | \$0.10 | 10 years after the date of grant |
| TOTAL | <u>450,000</u> | | |

The Directors' and Officers' Options to be granted on Closing to directors and officers are qualified for distribution pursuant to this prospectus.

There are no assurances that the options described above will be exercised in whole or in part.

Agent's Options

The Corporation will grant to the Agent, upon Closing, non-transferable options to purchase up to that number of Common Shares that is equal to 10% of the Common Shares sold in connection with this Offering (250,000 Common Shares) at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months following the Closing Date (the "**Agent's Options**"). A total of fifty (50%) percent of the Common Shares which may be acquired pursuant to the exercise of the Agent's Options may be sold by the Agent prior to completion of a Qualifying Transaction by the Corporation. The remaining fifty (50%) percent may only be sold after completion of a Qualifying Transaction. The Agent's Options are qualified for distribution under this prospectus. See "*Plan of Distribution*".

Stock Option Plan

The Corporation has adopted a "rolling" stock option plan (the "**Option Plan**"), pursuant to which a maximum of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding stock options previously granted, will be reserved for issuance as options and will be granted at the discretion of the Corporation's Board of Directors to eligible optionees (the "**Optionees**") under the Option Plan. While the Option Plan is in effect there can never be more than 10% of the Corporation's issued and outstanding Common Shares reserved for issuance at any point in time. A maximum of 450,000 Common Shares may be issued under the Option Plan until Completion of the Qualifying Transaction.

Until the Corporation completes its Qualifying Transaction and ceases to be a CPC, all stock options granted under the Option Plan will be subject to the terms and conditions of CPC Policy.

Eligible Optionees

Under the policies of the Exchange, to be eligible for the issuance of a stock option under the Option Plan an Optionee must either be a director, officer or employee, a consultant, employee or partnership of a company providing management or other services to the Corporation or a subsidiary at the time the option is granted.

Options may be granted only to an individual or to a non-individual that is wholly owned by individuals eligible for an option grant. If the option is granted to a non-individual, it must provide the Exchange with an undertaking that it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect, without the consent of the Exchange and the Corporation.

Material Terms of the Option Plan

The following is a summary of the material terms of the Option Plan:

- (a) all options granted under the Option Plan are non-assignable and non-transferable and exercisable for a period of up to 10 years;
- (b) for stock options granted to employees or service providers (inclusive of management company employees), the Corporation must ensure that the proposed Optionee is a bona fide employee or service provider (inclusive of management company employees), as the case may be, of the Corporation or any subsidiary;
- (c) options may be exercised the greater of 12 months after the date of cessation of being an Optionee (or such other time, not to exceed 12 months as shall be determined by the Corporation's board of directors as at the time of grant or agreed to by the board of directors of the Corporation and the Optionee at any time prior to expiry of the options) and 90 days following cessation of the Optionee's position with the Corporation, and only to the extent that such options were vested at the date the Optionee ceased to hold its position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

- (d) no options will be granted under the Option Plan to any person providing Investor Relations Activities until the Corporation ceases to be a CPC, and upon ceasing to be a CPC, no option will be granted to a person providing Investor Relations Activities, unless the Corporation issues a news release at the time of grant of options to an Optionee engaged in Investor Relations Activities;
- (e) the minimum exercise price of an option granted under the Option Plan must not be less than the Discounted Market Price (as defined in the policies of the Exchange);
- (f) options granted to technical consultants cannot exceed 2% of the issued and outstanding shares of the Corporation in any one year;
- (g) subject to (e) above, no Optionee can be granted an option or options to purchase more than 5% of the outstanding listed shares of the Corporation in any one year period, unless disinterested shareholder approval is obtained;
- (h) Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as at the Closing Date; and
- (i) any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See “Escrowed Shares”.

PRIOR SALES

Since the date of incorporation of the Corporation, 2,000,000 Common Shares have been issued as follows:

| <u>Date</u> | <u>Number of Common Shares</u> | <u>Issue Price per Common Share</u> | <u>Aggregate Issue Price</u> | <u>Consideration Received</u> |
|---------------|------------------------------------|---|----------------------------------|-----------------------------------|
| July 31, 2019 | 1 ⁽¹⁾ | \$0.01 | \$0.01 | Cash |
| July 31, 2019 | 2,000,000 | \$0.05 | \$100,000 | Cash |

Notes:

- (1) Initial incorporator’s share, which was subsequently repurchased by the Corporation.
- (2) All of these Common Shares were issued to Insiders or at a price below \$0.10 per Common Share and will be escrowed. See “Escrowed Shares”.

ESCROWED SHARES

Securities Escrowed Prior to Completion of the Qualifying Transaction

All 2,000,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non-Arm’s Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Escrow Agent under an escrow agreement among the Corporation, the Escrow Agent and certain shareholders of the Corporation dated ●, 2019 (the “**Founder’s Escrow Agreement**”).

All Common Shares acquired on exercise of stock options prior to the Completion of a Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow.

Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares which are held in escrow:

| Name and Municipality of Residence of Shareholder | No. of Common Shares held Prior to Offering | Percentage Prior to Offering | No. of Common Shares held in Escrow | No. of Common Shares held After Offering⁽¹⁾ | Percentage After Offering⁽¹⁾ |
|--|--|-------------------------------------|--|---|--|
| Lincoln Hold Co. Ltd. ⁽²⁾ Toronto, ON | 500,000 | 25% | 500,000 | 500,000 | 11.11% |
| Resurgent Capital Corp. ⁽³⁾ Toronto, ON | 1,000,000 | 50% | 1,000,000 | 1,000,000 | 22.22% |
| Ryan Cheung Vancouver, BC | 300,000 | 15% | 300,000 | 300,000 | 6.67% |
| Damian Lopez Toronto, ON | 200,000 | 10% | 200,000 | 200,000 | 4.44% |

Notes:

- (1) The figures in this column do not anticipate the exercise of the Agent's Options or the Directors' and Officers' Options, and they assume that no Common Shares are purchased by these persons under the Offering.
- (2) Trumbull Fisher, Director of the Corporation, is a principal of Lincoln Hold Co. Ltd.
- (3) Joel Freudman, CEO and Director of the Corporation, controls the investment decisions of Resurgent Capital Corp.

Where the Common Shares which are required to be held in escrow are held by a non-individual (a "**Holding Company**"), each Holding Company pursuant to the Founder's Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the Founder's Escrow Agreement which would result in a change of control of the Holding Company, without the consent of the Exchange. Any Holding Company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the Holding Company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Under the Founder's Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements, either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Founder's Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed the Escrow Agent to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares; or
- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC, at a discount from the IPO price, in accordance with section 11.2(a) of CPC Policy, or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non-Arm's Length Parties to the CPC so that the average cost of the remaining Seed Shares is at least equal to the IPO Price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with:

- (a) 5% of the escrowed securities being releasable at the time of the Final Exchange Bulletin;
- (b) 5% on the date which is 6 months after the Final Exchange Bulletin;
- (c) 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin;
- (d) 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin; and
- (e) 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with:

- (a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;
- (b) 20% of the escrowed securities being releasable on the date which is 6 months after the Final Exchange Bulletin;

- (c) 30% of the escrowed securities being releasable on the date which is 12 months after the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the date which is 18 months after the Final Exchange Bulletin.

Securities issued pursuant to a private placement to Principals of the Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the policies of the Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares as at the date hereof:

| Name and Municipality of Residence | Type of Ownership | No. of Common Shares Owned Before and After Offering | Percentage of Common Shares Owned Before Offering | Percentage Owned After Offering ⁽¹⁾ |
|---|-------------------|--|---|--|
| Resurgent Capital Corp. ⁽⁶⁾ Toronto, ON | Direct | 1,000,000 | 50% | 22.22% ⁽²⁾ |
| Lincoln Hold Co. Ltd. ⁽⁷⁾ Toronto, ON | Direct | 500,000 | 25% | 11.11% ⁽³⁾ |
| Ryan Cheung Vancouver, BC | Direct | 300,000 | 15% | 6.67% ⁽⁴⁾ |
| Damian Lopez Toronto, ON | Direct | 200,000 | 10% | 4.44% ⁽⁵⁾ |

Notes:

- (1) Assuming that the Agent's Options and Directors' and Officers' Options have not been exercised and that no Common Shares are purchased by these persons under the Offering.
- (2) On a fully diluted basis of 5,200,000 Common Shares, assuming the exercise of all the Agent's Options and all the Directors' and Officers' Options to be granted, Resurgent Capital Corp. would own 1,000,000 Common Shares or 19.23% of the Common Shares after giving effect to the Offering.

- (3) On a fully diluted basis of 5,200,000 Common Shares, assuming the exercise of all the Agent's Options and all the Directors' and Officers' Options to be granted, Lincoln Hold Co. Ltd. would own 600,000 Common Shares or 11.54% of the Common Shares after giving effect to the Offering.
- (4) On a fully diluted basis of 5,200,000 Common Shares, assuming the exercise of all the Agent's Options and all the Directors' and Officers' Options to be granted, Ryan Cheung would own 412,500 Common Shares or 7.93% of the Common Shares after giving effect to the Offering.
- (5) On a fully diluted basis of 5,200,000 Common Shares, assuming the exercise of all the Agent's Options and all the Directors' and Officers' Options to be granted, Damian Lopez would own 312,500 Common Shares or 6.01% of the Common Shares after giving effect to the Offering.
- (6) Joel Freudman, CEO and Director of the Corporation, controls the investment decisions of Resurgent Capital Corp.
- (7) Trumbull Fisher, Director of the Corporation, is a principal of Lincoln Hold Co. Ltd.

DIRECTORS AND OFFICERS

Name, Address, Occupation, Security Holding and Involvement with Other Reporting Issuers

The following are the names, ages and municipalities of residence of the directors, officers and promoters of the Corporation, their positions with the Corporation, their principal occupations during the past five years and the number of Common Shares held by each of them as of the date hereof. See also "*Management and Key Personnel*".

| Name, Age and Municipality of Residence | Position Held | Principal Occupation in last five years ⁽¹⁾ | Number of Securities of the Corporation Held Directly or Indirectly (% of class) | | | |
|--|------------------|---|--|--|---|--|
| | | | Common Shares Before Offering | Common Shares Before Offering (% of class) | Common Shares After Offering ⁽⁶⁾ | Common Shares After Offering (% of class) ⁽⁶⁾ |
| Joel Freudman ⁽³⁾⁽⁷⁾ , 34, Toronto, Ontario | CEO and Director | President and Director of Resurgent Capital Corp. from August 2016 to present President and CEO of Trius Investments Inc. from September 2017 to present President and CEO of IM Exploration Inc. from January 2018 to present Legal Counsel at Industrial Alliance Insurance and Financial Services Inc. from September 2015 to April 2017 Counsel at Royal Bank of Canada from October 2014 to September 2015 | 1,000,000 ⁽⁹⁾ | 50% | 1,000,000 ⁽⁹⁾ | 22.22% |

| Name, Age and Municipality of Residence | Position Held | Principal Occupation in last five years ⁽¹⁾ | Number of Securities of the Corporation Held Directly or Indirectly (% of class) | | | |
|--|---------------|--|--|--|---|--|
| | | | Common Shares Before Offering | Common Shares Before Offering (% of class) | Common Shares After Offering ⁽⁶⁾ | Common Shares After Offering (% of class) ⁽⁶⁾ |
| | | Associate at Peterson & Company, LLP from August 2012 to October 2014 | | | | |
| Trumbull Grant Fisher ⁽⁴⁾⁽⁷⁾ , 36, Toronto, Ontario | Director | President of New Wave Esports Corp. from March 2019 to present | 500,000 ⁽⁸⁾ | 25% | 500,000 ⁽⁸⁾ | 11.11% |
| | | Head of Trading at Forge First Asset Management from November 2017 to October 2018 | | | | |
| | | Head of Trading, COO at Sui Generis Investment Partners from October 2014 to November 2017 | | | | |
| Damian Lopez ⁽²⁾⁽⁷⁾ , 36, Toronto, Ontario | Director | Lawyer at Damian Lopez Professional Consulting Corporation from August 2015 to present | 200,000 | 10% | 200,000 | 4.44% |
| | | Legal consultant to various Toronto Stock Exchange and TSX Venture Exchange listed companies in various sectors including mining, cannabis, financial services, agriculture and technology from August 2015 to present | | | | |
| | | Lawyer at Stikeman Elliot LLP from September 2011 to July 2015. | | | | |

| Name, Age and Municipality of Residence | Position Held | Principal Occupation in last five years ⁽¹⁾ | Number of Securities of the Corporation Held Directly or Indirectly (% of class) | | | |
|--|-----------------------------|--|--|--|---|--|
| | | | Common Shares Before Offering | Common Shares Before Offering (% of class) | Common Shares After Offering ⁽⁶⁾ | Common Shares After Offering (% of class) ⁽⁶⁾ |
| Ryan Cheung ⁽⁵⁾ , 41, Vancouver, British Columbia | CFO and Corporate Secretary | Accountant Director and officer of several Canadian listed entities | 300,000 | 15% | 300,000 | 6.67% |
| TOTAL SECURITIES | | | 2,000,000 | 100% | 2,000,000 | 44.44% |

Notes:

- (1) See “*Management and Key Personnel*” for additional information regarding the principal occupations of the Corporation’s directors and officers.
- (2) On Closing, Mr. Lopez is expected to be granted the Directors’ and Officers’ Options to purchase 112,500 Common Shares. See “*Options to Purchase Securities – Options*”.
- (3) On Closing, Mr. Freudman is expected to be granted the Directors’ and Officers’ Options to purchase 112,500 Common Shares. See “*Options to Purchase Securities – Options*”.
- (4) On Closing, Mr. Fisher is expected to be granted the Directors’ and Officers’ Options to purchase 112,500 Common Shares. See “*Options to Purchase Securities – Options*”.
- (5) On Closing, Mr. Cheung is expected to be granted the Directors’ and Officers’ Options to purchase 112,500 Common Shares. See “*Options to Purchase Securities – Options*”.
- (6) Assuming that the Agent’s Options and Directors’ and Officers’ Options have not been exercised and that no Common Shares are purchased by these persons under the Offering.
- (7) Member of the audit committee.
- (8) These shares are controlled by Mr. Fisher indirectly through Lincoln Hold Co. Ltd. Mr. Fisher is a principal of Lincoln Hold Co. Ltd.
- (9) These shares are controlled by Mr. Freudman indirectly through Resurgent Capital Corp. Mr. Freudman controls the investment decisions of Resurgent Capital Corp.

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

Each of the directors and officers will devote the time considered necessary to perform the work required in connection with the management and direction of the Corporation and completion of the Qualifying Transaction.

Prior to this Offering, the directors and officers beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,000,000 Common Shares (100%). Subsequent to this Offering, the directors and officers will beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,000,000 Common Shares (44.44%), assuming the directors and officers do not acquire any Common Shares under the Offering. In addition, following completion of the Offering, the directors and officers will collectively hold the Directors’ and Officers’ Options (see “*Options to Purchase Securities*”).

Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation’s system of internal controls, to review the results of the external audit and to resolve any potential

dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of Joel Freudman, Damian Lopez, and Trumbull Fisher. Mr. Lopez is chair of the audit committee.

Management and Key Personnel

The following is a brief description of the management and key personnel of the Corporation:

Joel Freudman, Age 34, Chief Executive Officer and Director

Joel Freudman is the President of Resurgent Capital Corp., a Toronto-based merchant bank that works exclusively with high-potential Canadian micro-capitalization public and pre-public companies. He is also President & CEO and a Director of each of Trius Investments Inc. (TSXV:TRU.H) and IM Exploration Inc. (CSE:IM). Mr. Freudman started his career in private practice as a securities and M&A lawyer before transitioning in-house as legal counsel to various wealth management businesses at two major Canadian financial institutions. Mr. Freudman is a member of the Law Society of Ontario, and holds a Juris Doctor degree from Western University and a Bachelor of Commerce degree from the University of Toronto.

Mr. Freudman will devote the time necessary to perform the work required in connection with the direction of the Corporation and completion of the Qualifying Transaction.

Trumbull Grant Fisher, Age 36, Director

Trumbull Fisher has over 15 years of capital markets experience managing high profile assets. Mr. Fisher started his career in the back office of an American Custodian, before moving onto a top 6 Canadian bank as a foreign exchange trader. Mr. Fisher then moved over to the equity Sell-Side of the business, where he co-founded an IIROC Institutional Equity Sales & Trading Desk. Fisher was instrumental in the firm raising significant capital for micro and small cap companies. Mr. Fisher was directly responsible for maintaining the liability trading book, resulting in the investment bank being the #7 broker in global ranking tables, establishing the firm as one of the biggest unlisted warrant traders in the Canadian market.

Mr. Fisher went on to co-found Sui Generis Investment Partners, a long/short offshore fund with a Canadian feeder for the purpose of investing in global equities. Mr. Fisher helped oversee the successful sale of Sui Generis to Forge First Asset Management, where he was head of trading and managed the fund's discretionary trading book.

Most recently, Mr. Fisher has become President of New Wave Esports Corp., an investment issuer that invests in esports companies.

Mr. Fisher will devote the time necessary to perform the work required in connection with the direction of the Corporation and completion of the Qualifying Transaction.

Damian Lopez, Age 36, Director

Damian Lopez is a corporate lawyer with extensive mergers and acquisition and corporate finance experience. Mr. Lopez is currently a legal consultant to various Toronto Stock Exchange and TSX Venture Exchange listed companies in various sectors including mining, cannabis, financial services, agriculture and technology. Mr. Lopez is currently the CEO of Wolf Acquisition Corp (TSXV: WOLF.P), Chairman of Trius Investments Inc. (TSXV: TRU.H) and also acts as the Corporate Secretary of various Toronto Stock Exchange and TSX Venture Exchange listed companies. Mr. Lopez began his legal career as a corporate law associate at Stikeman Elliott LLP. Mr. Lopez holds a B.Comm from Rotman Commerce, University of Toronto and a J.D. from Osgoode Hall Law School.

Mr. Lopez will devote the time necessary to perform the work required in connection with the direction of the Corporation and completion of the Qualifying Transaction.

Ryan Cheung, Age 41, Chief Financial Officer and Corporate Secretary

Ryan Cheung is the Founder and Managing Partner of MCPA Services Inc., Chartered Professional Accountants. Mr. Cheung holds CA and CPA designations and has been a member of the Chartered Professional Accountants of B.C (formerly Chartered Accountants of B.C.) since 2008. Mr. Cheung serves as a director and officer of several Canadian listed entities and holds a Bachelor of Commerce (International Business) from the University of British Columbia and a Diploma in Accounting from the University of British Columbia

Mr. Cheung will devote the time necessary to perform the work required in connection with the direction of the Corporation and completion of the Qualifying Transaction.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

| Name | Name of Reporting Issuer | Name or Exchange⁽¹⁾ or Market | Position | From | To |
|--------------------|--|---|-----------------------------|----------------|---------------|
| Joel Freudman | Aura Health Inc. | CSE | Director | October 2018 | May 2019 |
| | IM Exploration Inc | CSE | President, CEO and Director | January 2018 | Present |
| | Trius Investments Inc. | NEX | President, CEO and Director | July 2017 | Present |
| Damian Lopez | African Gold Group Inc, | TSX-V | Corporate Secretary | August 2017 | June 2019 |
| | AnalytixInsight Inc. | TSX-V | Corporate Secretary | June 2016 | Present |
| | Back Iron Inc. | TSX | Corporate Secretary | March 2015 | Present |
| | Copper One Inc. | TSX-V | Corporate Secretary | August 2016 | November 2017 |
| | EarthRenew Inc. (formerly Valencia Ventures Inc.) | CSE | President, CEO and Director | May 2016 | Present |
| | Emerita Resources Corp. | TSX-V | Corporate Secretary | September 2015 | Present |
| | Fura Gems Inc. (formerly Fura Emeralds Inc.) | TSX-V | Corporate Secretary | October 2015 | Present |
| | Routemaster Capital Inc. | TSX-V | Corporate Secretary | August 2015 | December 2018 |
| | Trigon Metals Inc. (formerly Kombat Copper Inc.) | TSX-V | Corporate Secretary | February 2016 | Present |
| | Trius Investments Inc. | NEX | Director (Chairman) | September 2017 | Present |
| Trolius Gold Corp. | TSX-V | Corporate Secretary | February | January 2018 | |

| Name | Name of Reporting Issuer | Name or Exchange⁽¹⁾ or Market | Position | From | To |
|-------------|--|---|------------------|----------------|----------------|
| | | | | 2017 | |
| | Wolf Acquisition Corp. | TSX-V | CEO and Director | February 2018 | Present |
| Ryan Cheung | Ashanti Sankofa Inc. (formerly AMI Resources Inc.) | TSX-V | Director | April 2009 | September 2017 |
| | Barrian Mining Corp. | TSX-V | CFO | September 2018 | Current |
| | BeWhere Holdings Inc. | TSX-V | Director | May 2014 | February 2016 |
| | Calaveras Resource Corp. | CSE | CFO | March 2017 | October 2018 |
| | Calaveras Resource Corp. | CSE | Director | March 2017 | November 2018 |
| | Canex Energy Inc. | TSX-V | CFO and Director | May 2017 | October 2018 |
| | Canex Energy Corp. | CSE | CFO | July 2015 | November 2016 |
| | Canex Energy Corp. | CSE | CFO | May 2017 | Current |
| | Clean Commodities Corp. | TSX-V | CFO | October 2015 | Current |
| | Dagobah Ventures Inc. (formerly Clear Blue Technologies International Inc.) | Non-listed reporting issuer | Director | April 2017 | July 2018 |
| | Deep-South Resources Inc. (formerly Jet Gold Corp.) | TSX-V | CFO and Director | May 2012 | Current |
| | Defense Metals Corp. | TSX-V | CFO | April 2019 | Current |
| | DMG Blockchain Solutions Inc. | TSX-V | CFO | September 2017 | Current |
| | Four Nines Gold Inc. | CSE | Director | March 2015 | November 2018 |
| | Gallagher Security Corp. (formerly Hilltop Cybersecurity Inc. and Big Wind Capital Inc.) | CSE | CFO | May 2017 | Current |
| | Greenflag Ventures Inc. | TSX-V | CFO and Director | May 2014 | July 2014 |
| | Geenrock Ventures Inc | TSX-V | CFO and Director | May 2014 | September 2016 |
| | Hilltop Cybersecurity Inc. (now Gallagher Security Corp.) | CSE | CFO | May 2017 | October 2018 |
| | Ironside Resources Inc. (now Shine Minerals) | TSX-V | CFO | May 2017 | October 2018 |

| Name | Name of Reporting Issuer | Name or Exchange⁽¹⁾ or Market | Position | From | To |
|-------------|---|---|------------------|----------------|----------------|
| | Corp.) | | | | |
| | Liberty Health Sciences Inc. (formerly SecureCom Mobile Inc.) | CSE | CFO | July 2015 | March 2016 |
| | Maxtech Ventures Inc. | CSE | CFO | February 2017 | May 2019 |
| | Midasco Capital Corp. | TSX-V | CFO and Director | March 2009 | Current |
| | Netcents Technology Inc. (formerly Netcents Systems Inc.) | CSE | CFO | July 2015 | November 2016 |
| | Red Lake Gold Inc. | CSE | CFO | May 2019 | Present |
| | Redfund Capital Corp. (formerly Parana Copper Corp.) | CSE | CFO | August 2017 | May 2019 |
| | Rockwealth Resources Corp. | TSX-V | CFO | May 2017 | October 2018 |
| | Seaway Energy Services Inc. | TSX-V | CFO | April 2016 | October 2016 |
| | Senator Minerals Inc. (formerly Tisdale Resources Corp.) | TSX-V | CFO | December 2014 | October 2018 |
| | SG Spirit Gold Inc. (now DOJA Cannabis Company Ltd.) | TSX-V | Director | September 2014 | July 2016 |
| | Shamrock Enterprises Inc. | CSE | CFO | October 2010 | August 2014 |
| | Shine Minerals Corp. (formerly Ironside Resources Inc.) | TSX-V | CFO | May 2017 | Current |
| | Sunvest Minerals Corp. (formerly Sky Gold Corp. and Strike Diamond Corp.) | TSX-V | CFO | October 2015 | September 2016 |
| | Telo Genomics Corp. | TSX-V | CFO and Director | September 2018 | Current |
| | Viena Capital Corp. (formerly UWO Consulting Ltd.) | Non-listed reporting issuer | Director | August 2014 | December 2017 |
| | Xemplar Energy Inc. | TSX-V | CEO | May 2013 | April 2015 |
| | Xemplar Energy Inc. | TSX-V | Director | April 2013 | April 2015 |
| | Xemplar Energy Inc. | TSX-V | CFO | April 2013 | May 2013 |

Notes:

- (1) “**TSX-V**” means the TSX Venture Exchange; “**CSE**” means the Canadian Securities Exchange; “**TSX**” means the Toronto Stock Exchange; “**NEX**” means the NEX Board of the TSX-V; “**OTCBB**” means the over-the-counter bulletin provided by the National Association of Securities Dealers.

Corporate Cease Trade Orders or Bankruptcies

Other than as provided below, no director or officer or insider of the Corporation or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is or has within the 10 years before the date of the prospectus been a director, officer, Insider or Promoter of any other Issuer that, while such person was acting in that capacity was the subject of a cease trade or similar order, or an order that denied the Issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, 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.

Ryan Cheung is the current Chief Financial Officer of DMG Blockchain Solutions Inc. which is a company listed on the TSX Venture Exchange. DMG Blockchain Solutions Inc. received a cease trade order on February 1, 2019 for failure to file its audited financial statements and management discussion and analysis. The cease trade order was revoked on August 28, 2019.

Penalties or Sanctions

No director, officer, insider or promoter of the Corporation or a shareholder of the Corporation holding a sufficient number of securities to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has 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 or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, insider or promoter of the Corporation or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the ten years prior to the date of this prospectus, as applicable, became 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 manager or trustee appointed to hold his or her assets.

Conflicts of Interest

Except as set out below or otherwise disclosed in this prospectus, there are no known conflicts of interest between the Corporation and its directors, officers, insiders or promoters.

There may in future arise conflicts of interest to which some of the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation because some of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction or similar corporate transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be or will be perceived to be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia) and pursuant to common law.

PROMOTER

Trumbull Grant Fisher may be considered to be the Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Fisher has control over 500,000 Common Shares (25%) as of the date hereof, and will be granted 112,500 Directors' and Officers' Options at Closing pursuant to the Option Plan. Mr. Fisher is also a director of the Corporation. See "*Principal Shareholders*" and "*Capitalization*" and "*Options to Purchase Securities*".

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non-Arm's Length Party to the Corporation or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finders' fees; and
 - (v) loans, advances, bonuses, and
- (b) deposits and similar payments.

However, the Corporation may reimburse Non-Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"), which reimbursements, since incorporation, are \$nil. No reimbursements may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Corporation will be granted the Directors' and Officers' Options as part of their compensation.

Following Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer shall pay compensation to its directors and officers. However, no payment other than the Permitted Reimbursements will be made by the Corporation or by any party on behalf of the Corporation, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 22.2% or \$0.0222 per Common Share on the basis of there being 4,500,000 Common Shares issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus without deduction of commissions or related expenses incurred by the Corporation, as follows:

| Item | <u>Total Offering⁽¹⁾</u> |
|---|--|
| Gross proceeds of prior share issues | \$100,000 |
| Gross proceeds of this Offering | <u>\$250,000</u> |
| Total gross proceeds after this Offering | <u>\$350,000</u> |
| Offering price per share | \$0.10 |
| Proceeds per share after this Offering ⁽²⁾ | \$0.0778 |
| Dilution per share to subscriber | \$0.0222 |
| Percentage of dilution in relation to Offering price | 22.2% |

Notes:

1. These calculations do not take into account the exercise of the Agent's Options or the Directors' and Officers' Options.
2. Calculated based on \$350,000 of gross proceeds from all prior sales and the Offering divided by 4,500,000 Common Shares issued.

RISK FACTORS

INVESTMENTS IN SMALL BUSINESSES INVOLVE A HIGH DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

The following are risk factors associated with the Corporation, but are not intended to be all inclusive:

- (a) The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.
- (b) Investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development.
- (c) The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- (d) Assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 22.2% or \$0.0222 per Common Share.
- (e) There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.
- (f) Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

- (g) The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction.
- (h) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.
- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval.
- (j) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.
- (k) Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will not be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction.
- (l) Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.
- (m) The Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the Listing Date.
- (n) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.
- (o) In the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.
- (p) The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.
- (q) Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 (if available) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.
- (r) If the Corporation does not list the Common Shares on the Exchange prior to the time of Closing in the manner contemplated in this prospectus under the heading "*Eligibility for Investment*", adverse tax consequences may occur with respect to any Common Shares held in the Plans (as defined herein).

As a result of these factors, this Offering is only suitable for those investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain directors and officers of the Corporation have acquired Common Shares in the seed capital phase of the Corporation. See “*Principal Shareholders*”.

LEGAL PROCEEDINGS

Legal Proceedings

There are currently no actual or pending legal proceedings to which the Corporation is a party or of which any of its assets are subject.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a “related issuer” or “connected issuer” (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

No professional person, responsible solicitor or any partner of a responsible solicitor’s firm holds a beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an associate or affiliate of the Corporation.

No professional person, nor the responsible solicitor or any partner of the responsible solicitor’s firm is, or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or a promoter of the Corporation or of an associate or affiliate of the Corporation.

In this section, “professional person” means a person whose profession gives authority to a statement made by the person in the person’s professional capacity and includes a barrister and solicitor, a public accountant, an appraiser, an auditor, an engineer and a geologist.

Certain legal matters relating to this Offering will be passed upon by McMillan LLP on behalf of the Corporation, and by Borden Ladner Gervais LLP on behalf of the Agent.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The Corporation’s auditor is Charlton & Company, Chartered Professional Accountants.

Transfer Agent and Registrar

The registrar and transfer agent of the Corporation is Olympia.

MATERIAL CONTRACTS

Material Contracts

The Corporation has not entered into any material contracts since its incorporation except as follows:

1. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement between the Corporation and Olympia dated August 27, 2019.

2. Agency Agreement. See “*Plan of Distribution*”.
3. Founder’s Escrow Agreement. See “*Escrowed Shares*”.
4. Stock Option Plan dated September 16, 2019. See “*Stock Option Plan – Options to Purchase Securities*”.

The above contracts may be inspected at the registered office of the Corporation at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days after completion of the distribution.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities proposed to be offered which have not been disclosed elsewhere in this prospectus.

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Corporation, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) in force on the date hereof, if and provided the Common Shares are listed on a “designated stock exchange” (as such term is defined in the Tax Act and which currently includes the Exchange) or the Corporation otherwise becomes a “public corporation” (as that term is defined in the Tax Act) at a particular time, the Common Shares will at that time be a “qualified investment” under the Tax Act for a trust governed by a “registered retirement savings plan” (“**RRSP**”), “registered retirement income fund” (“**RRIF**”), “tax-free savings account” (“**TFSA**”), “registered education savings plan” (“**RESP**”), “deferred profit sharing plan” and “registered disability savings plan” (“**RDSP**”), as those terms are defined in the Tax Act (collectively, the “**Plans**”).

The Common Shares are currently not listed on a “designated stock exchange” and the Corporation is currently not a “public corporation”, as those terms are defined in the Tax Act. Accordingly, the Common Shares are currently not a qualified investment for the Plans. Holders who intend to hold Common Shares within a Plan should consult their own tax advisors regarding whether such securities are a qualified investment for such Plan at the relevant time.

It is McMillan LLP’s understanding that the Corporation has applied to list the Common Shares on the Exchange as of the day before or the day of Closing, followed by an immediate halt in trading of the Common Shares in order to allow the Corporation to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on Closing. The Corporation must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on Closing and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange for purposes of the Tax Act at the time of their issuance on Closing. Listing will be subject to the Corporation fulfilling all of the requirements of the Exchange, and there can be no guarantee that Exchange approval of a listing (if at all) will be granted or will be in a form that is, or is acceptable to the Canada Revenue Agency as, a full and unconditional listing sufficient for “qualified investment” status under the Tax Act for purposes of a Plan. If the Common Shares are not listed on a “designated stock exchange” (which currently includes the Exchange) for purposes of the Tax Act at the time of their issuance on Closing and the Corporation is

not otherwise a “public corporation” at that time, the Common Shares will not be “qualified investments” for the Plans at that time. The adverse tax consequences where a Plan acquires Common Shares that are not a “qualified investment” are not discussed in this summary, and Holders who intend to hold Common Shares within a Plan should consult their own tax advisors in this regard.

Notwithstanding that a Common Share may become a qualified investment for a TFSA, RRSP, RRIF, RDSP or RESP (a “**Registered Plan**”), the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such Common Shares are a “prohibited investment” for the Registered Plan for purposes of the Tax Act. The Common Shares will generally be a “prohibited investment” for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length with the Corporation for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are “excluded property” within the meaning of the Tax Act for the Registered Plan. **Holders who intend to hold Common Shares within a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

FINANCIAL STATEMENTS

Audited financial statements for the Corporation as at July 31, 2019 (date of incorporation) are attached to this prospectus as Schedule “A”.

Schedule "A"

Audited Financial Statements

[See Attached]

Holly Street Capital Ltd.
(A Private Company)

FINANCIAL STATEMENTS

For the period ended July 31, 2019
(date of incorporation)

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BLISSARD STREET
BOX 243
VANCOUVER, BC V7X 1M9



charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of:
Holly Street Capital Ltd.

Opinion

We have audited the financial statements of Holly Street Capital Ltd. (the "Company"), which comprise the statement of financial position as at July 31, 2019, and the statement of loss and comprehensive loss, changes in equity and cash flows for the date of incorporation and period ended July 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019, and its financial performance and its cash flows for the date of incorporation and period ended July 31, 2019, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 financial statements, which indicates that the Company incurred a net loss of \$5,247 during the date of incorporation and period ended July 31, 2019. 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.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

The engagement partner on the audit resulting in this independent auditor's report is Robert G. Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

1735-555 Burrard Street

Vancouver, BC

V7X 1M9

August 19, 2019

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)

| | As at July 31, 2019 |
|---|---------------------------|
| | \$ |
| ASSETS | |
| Cash | 100,000 |
| Total assets | 100,000 |
| LIABILITIES | |
| Accounts payable and accrued liabilities | 5,247 |
| Total liabilities | 5,247 |
| SHAREHOLDERS' EQUITY | |
| Share capital (Note 5) | 100,000 |
| Deficit | (5,247) |
| Total shareholders' equity | 94,753 |
| Total liabilities and shareholders' equity | 100,000 |

Nature of Operations and Going Concern (Note 1)

Subsequent events (Note 9)

Approved by the Board of Directors on August 19, 2019:

"Trumbull Fisher"

Director

"Joel Freudman"

Director

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

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

| | For the period ended July 31, 2019 (date of incorporation) |
|---|---|
| | \$ |
| Expenses | |
| Accounting and audit fees | 3,500 |
| Legal fees | 1,747 |
| Net loss and comprehensive loss for the period | (5,247) |
| Net loss per share | |
| Basic and diluted | (0.00) |
| Weighted average number of common shares outstanding (basic and diluted) | 2,000,000 |

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

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

STATEMENT OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

| | Number of Outstanding Shares | Share capital | Deficit | Total |
|--|------------------------------------|----------------|----------------|---------------|
| | | \$ | \$ | \$ |
| Balance, July 31, 2019 (date of incorporation) | 1 | 1 | - | 1 |
| Repurchase of incorporation share | (1) | (1) | - | (1) |
| Founder seed shares issued for cash | 2,000,000 | 100,000 | - | 100,000 |
| Net loss for the period | - | - | (5,247) | (5,247) |
| Balance, July 31, 2019 | 2,000,000 | 100,000 | (5,247) | 94,753 |

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

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

STATEMENT OF CASH FLOWS

(Expressed in Canadian dollars)

| | For the period ended July 31, 2019 (date of incorporation) |
|--|---|
| | \$ |
| Cash flows provided by (used in) | |
| Operating Activities | |
| Net loss | (5,247) |
| Changes in non-cash working capital: | |
| Accounts payable and accrued liabilities | 5,247 |
| Net cash used in operating activities | - |
| Financing Activities | |
| Shares issued for cash | 100,000 |
| Change in cash, for the period | 100,000 |
| Cash and cash equivalents - beginning of period | - |
| Cash and cash equivalents - end of period | 100,000 |

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

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

1. Nature of operations and going concern

Nature of operations

Holly Street Capital Ltd. (the "Company" or "Holly") was incorporated under the British Columbia Corporations Act on July 31, 2019. The Company is intending to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 1500 - 1055 West Georgia St, P.O. Box 11117, Vancouver, B.C., V6E 4N7.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has no operations at this time which will generate revenue, and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other sources of finance to remain as a going concern. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. The Company has incurred losses from inception, has a working capital surplus of \$94,753, and has an accumulated deficit of \$5,247 as at July 31, 2019.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

2. Basis of presentation and significant accounting policies

Statement of Compliance

These financial statements 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 International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. The financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

Significant accounting policies

Cash and cash equivalents

The Company considers cash to include amounts held in banks and in trust. The Company places its cash with a major legal firm in Canada.

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

2. Basis of presentation and significant accounting policies (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through OCI (“FVOCI”):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Financial liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

2. Basis of presentation and significant accounting policies (continued)

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities, are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company includes fair value measurement disclosures as required under IFRS 7. These disclosures include the classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

| | |
|--|--|
| Cash | Fair value through profit or loss |
| Accounts payable and accrued liabilities | Financial liabilities measured at amortized cost |

Loss per share

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the year. The computation of diluted income (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the year.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

2. Basis of presentation and significant accounting policies (continued)

Changes in accounting standards

There were no new standards effective July 31, 2019 that had any impact on these financial statements or are expected to have a material effect in the future.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in these financial statements:

Judgments

The measurement of deferred income tax assets and liabilities.

Estimations

The evaluation of the Company's ability to continue as a going concern.

4. Taxation

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit for the period ended July 31, 2019 (date of incorporation) at a rate of 27.00%. The Company had no assessable profit in Canada for all periods disclosed.

The tax expense at statutory rates for the Company can be reconciled to the reported loss for the period as per the Statement of Loss and Comprehensive Loss as follows:

| | For the year ended July 31, 2019 (date of incorporation) |
|---|---|
| | \$ |
| Net loss before income taxes | (5,247) |
| Statutory income tax rate | 27% |
| Income tax recovery | (1,417) |
| Non-deductible expenses | - |
| Change in unrecognized deferred tax asset | 1,417 |
| Total income tax expense | - |

Deferred Income Taxes

| | For the year ended July 31, 2019 (date of incorporation) |
|---|---|
| | \$ |
| Deferred Income Tax Asset | |
| Non-capital loss available for future periods | 1,417 |
| Share issuance costs and others | - |
| Deferred Income Tax Asset Not Recognized | 1,417 |

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

4. Taxation (continued)

As at July 31, 2019, the Company has estimated non-capital losses of approximately \$5,247 for Canadian income purposes that may be carried forward to reduce taxable income derived in future years. If not utilized, these losses will expire as follows:

| | |
|------|---------|
| 2039 | \$5,247 |
|------|---------|

Tax attributes are subject to review, and potential adjustment, by tax authorities.

5. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

On July 31, 2019, the Company issued 1 incorporation common share at a price of \$0.01 per share. This share was repurchased by the Company and cancelled on July 31, 2019.

On July 31, 2019, the Company issued 2,000,000 seed shares to the founders of the Company at a price of \$0.05 per common share for gross proceeds of \$100,000.

6. Financial Instruments

As at July 31, 2019, the Company's financial instruments consist of cash and accounts payable. The Company believes that the carrying values of cash, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

All of the Company's financial instruments and cash are considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended July 31, 2019.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of July 31, 2019, the Company's exposure to credit risk is minimal.

Holly Street Capital Ltd.

(A PRIVATE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE DATE OF INCORPORATION AND PERIOD ENDED JULY 31, 2019

Expressed in Canadian dollars unless otherwise stated

6. Financial Instruments (continued)

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to Note 1, Nature of Operations and Going Concern.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

7. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, with the exception that up to the lesser of 30% of the gross proceeds realized by the Company in respect of the sale of its securities, or \$210,000, may be used for purposes other than such identification and evaluation of businesses or assets. These restrictions apply until completion of a QT by the Company as defined under Policy 2.4 of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval to list its shares on the Exchange.

8. Related Party Transactions

There were no related party transactions during the year ended July 31, 2019.

9. Subsequent Events

On August 13, 2019, the Company entered into an engagement letter with Echelon Wealth Partners Inc. (the "Agent") to act as the exclusive agent on a commercially reasonable efforts basis, with respect to an Initial Public Offering (the "Offering"). The Company has agreed to offer 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000. The Company will pay the agent a cash commission of 10% of the gross proceeds of the Offering and will pay a non-refundable corporate finance fee consisting of \$10,000 plus applicable taxes in cash, \$10,000 plus applicable taxes against the Agent's fixed legal fees (both due within 15 business days from the date of the agreement), as well as all other reasonable out-of-pocket expenses and disbursements. In addition, the Company has also agreed to grant warrants to the Agent entitling the Agent to purchase 10% of the number of common shares sold under the Offering at a price of \$0.10 for a period of 24 months from the date of closing the offering.

CERTIFICATE OF THE CORPORATION

Dated: October 9, 2019

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Ontario and Alberta and the regulations thereunder.

“Joel Freudman”

Joel Freudman
Chief Executive Officer

“Ryan Cheung”

Ryan Cheung
Chief Financial Officer and Corporate Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

“Damian Lopez”

Damian Lopez
Director

“Trumbull Grant Fisher”

Trumbull Grant Fisher
Director

CERTIFICATE OF THE PROMOTER

Dated: October 9, 2019

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Ontario and Alberta and the regulations thereunder.

“Trumbull Grant Fisher”

Trumbull Grant Fisher
Promoter

CERTIFICATE OF THE AGENT

Dated: October 9, 2019

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Ontario and Alberta and the regulations thereunder.

ECHELON WEALTH PARTNERS INC.

Per: “David G. Anderson”
David G. Anderson
Head of Investment Banking

Date: October 9, 2019

ACKNOWLEDGEMENT - PERSONAL INFORMATION

“**Personal Information**” means any information about an identifiable individual, and includes the information contained in any Items in the attached prospectus that are analogous to Items 4.2, 6.7, 11.1, 13.1, 14, 15 and 21 of this Form, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- a. the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the prospectus; and
- b. the collection, use and disclosure of Personal Information by the Exchange for the purposes described on Appendix 6B or as otherwise identified by the Exchange, from time to time.

ON BEHALF OF THE BOARD

“Joel Freudman”

Joel Freudman

Chief Executive Officer and Director