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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This new issue prospectus does not constitute a public offering of securities.

PROSPECTUS

New Issue **August 16, 2021**

BILLY GOAT BRANDS LTD.

19,675,000 Common Shares on deemed exercise of 19,675,000 Special Warrants at a price of $0.02 per Special Warrant

9,505,000 Common Shares on deemed exercise of 9,505,000 Special Warrants at a price of $0.50 per Special Warrant

No securities are being offered pursuant to this preliminary long form prospectus (the "**Prospectus**"). This Prospectus is being filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario to enable Billy Goat Brands Ltd. (the "**Company**" or "**Billy Goat Brands**") to become a reporting issuer under the applicable securities legislation in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

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

This Prospectus is being filed to qualify for distribution common shares in the capital of the Company (the "**Qualified Shares**") issuable for no additional consideration upon the voluntary or automatic exercise of (i) 19,675,000 special warrants (the "**$0.02 Special Warrants**") of the Company issued on December 4, 2020 at a price of $0.02 per $0.02 Special Warrant (the "**$0.02 Offering**"), and (ii) 9,505,000 special warrants (the "**$0.50 Special Warrants**" and together with the $0.02 Special Warrants the "**Special Warrants**") of the Company issued on May 18, 2021 at a price of $0.50 per $0.50 Special Warrant (the **"$0.50 Offering**"), both issued to purchasers in certain provinces of Canada on a non-brokered private placement basis pursuant to prospectus exemptions under applicable securities laws (the $0.02 Offering and $0.50 Offering together being the "**Special Warrant Offerings**"). See "*Description of Securities*".

The Special Warrants are subject to the terms and conditions of the certificates representing the Special Warrants. On the date (the "**Automatic Exercise Date**") that is two (2) business days following the date on which the Company obtains a receipt for the final prospectus of the Company qualifying the distribution of the Qualified Shares issuable on exercise of the Special Warrants (the "**Final Receipt**") has been issued (the "**Qualification Date**"), each Special Warrant shall be automatically exercised for one unit of the Company without payment of any additional consideration and without further action on the part of the holder. Each unit related to the $0.02 Offering will consist of one common share of the Company (each, a "**Common Share**") and one (1) Common Share purchase warrant (each, a "**$0.10 Warrant**") with each $0.10 Warrant entitling the holder thereof to purchase one additional Common Share (each, a "**Warrant Share**") of the Company at a price of $0.10 per Warrant Share for a period of twenty-four (24) months from the date the $0.02 Special Warrants are issued. Each unit related to the $0.50 Offering will consist of one Common Share and one-half-of-one (½) Common Share purchase warrant (each whole warrant, a "$**1.00 Warrant**") with each whole $1.00 Warrant entitling the holder thereof to purchase one additional Warrant Share at a price of $1.00 per Warrant Share for a period of twenty-four (24) months from the date the $0.50 Special Warrants are issued.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Shares upon the automatic exercise of the Special Warrants.

The Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario (the "**Qualifying Jurisdictions**").

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

An investment in the Company's securities should be considered highly speculative, and involves a high degree of risk that should be considered by potential investors. There is no guarantee that an investment in the Company will earn any positive return in the short or long term. An investment in the Company is appropriate only for investors who are willing to risk a loss of all of their investment and who can afford to lose all of their investment. There are certain risk factors associated with an investment in the Company's securities. The risk factors included in this Prospectus should be reviewed carefully and evaluated by readers. See "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Information*".

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

The Company has applied for a listing (the "**Listing**") of its Common Shares on the Canadian Securities Exchange (the "**Exchange**" or the "**CSE**"). As at the date hereof, the CSE has not conditionally approved the Listing, and there is no assurance that it will do so. The Listing will subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements, which cannot be guaranteed. As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Company's securities and the extent of issuer regulation. See "*Risk Factors*" and "*Cautionary Note Regarding Forward Looking Information*".

Readers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Qualified Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Qualified Shares.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus or any other date specified herein.

BILLY GOAT BRANDS LTD.

2200 HSBC Building
885 West Georgia Street
Vancouver, British Columbia
V6C 3E8
Canada

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "Glossary of Terms".

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to "the Company", "we", "us" and "our" refer to the Company.

Unless otherwise indicated, all currency amounts in this Prospectus are stated in Canadian dollars and references to "$" are to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that the Company anticipates or expects, may, or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations and future actions of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the forgoing) be taken, occur, be achieved, or come to pass. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this Prospectus, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Company, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this Prospectus is expressly qualified by this cautionary statement.

These forward-looking statements include, among other things, statements relating to:

- the Company's ability to complete the Listing and all transactions related thereto;
- the Company's expectation regarding its revenue, expenses and operations;
- the Company's intention to grow its business and its operations;
- the Company's competitive position;
- the Company's business objectives for the next twelve months;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's ability to obtain necessary financing;
- the performance of the Company's business and operations as it relates to its investments;
- the Company's future liquidity and financial capacity;
- the Company's and/or its investee companies' expected market and the profitability thereof;
- the impact of the COVID-19 pandemic ("**COVID-19**") on the Company's investee companies and the economy generally;
- the competitive position of the Company's investee companies and the regulatory environment in which they operate;
- the business objectives of the Company's investee companies, and their ability to research and develop marketable products;
- expectations regarding trends in the plant-based meat alternative industry, the functional food industry and the foodtech industry;
- results and expectation concerning various partnerships, strategic alliances, projects and marketing strategies of the Company;
- the economy generally; and
- the current and future rates of growth of the plant-based protein market, the functional food market and the foodtech market as well as our belief as to the primary factors driving growth and consumer preferences.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) investee companies obtaining and maintaining, as applicable, the necessary regulatory approvals; (ii) general business and economic conditions; (iii) the Company's ability to successfully execute its plans and intentions; (iv) the availability of financing on reasonable terms; (v) the Company's and the investee companies' ability to attract and retain skilled management and staff, as applicable; (vi) market competition; (vii) the market for and potential revenues to be derived from the investee companies' products; and (viii) the costs, timing and future plans concerning operations of the Company and/or its investee companies will be consistent with current expectations. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- the Company has limited operating history, and a history of losses and the Company cannot assure profitability;
- the Company has negative cash flows from operations;
- the Company has just commenced its business as an investment issuer and has limited or no history of successful investments;
- the investments to be made by the Company are speculative in nature and holders of Common Shares could experience a loss of all or substantially all of their investment in the Company;
- the Company will require additional capital, which may not be available to it when required on attractive terms, or at all;
- the Company is largely dependent upon its board and management for its success;
- the market for investment opportunities is highly competitive and such competition may curtail the Company's ability to follow its Investment Policy;
- conflicts of interest may arise between the Company and its directors and management;
- due diligence investigations may not identify all facts necessary or helpful in evaluating an investment opportunity and will not necessarily result in the investment being successful;
- the realization of returns from the Company's investment activities is a long-term proposition;
- the Company's investments may be illiquid and difficult to value, and the Company may not be able to exit the investment on its intended timetable;
- the Company may hold a limited number of investments at any one time and potentially suffer from a lack of diversification;
- financial market fluctuations may have a material adverse effect on the Company's investments in both private and public companies;
- epidemics/pandemics and other public health crises, such as COVID-19, may have a material adverse effect on the Company's investee companies;
- holding control or exercising significant influence over an investment exposes the Company to additional risk;
- in its investment investigation activities, the Company may acquire material, non-public information that may limit its investment actions;
- taking minority positions in investments may limit the ability of the Company to safeguard its investments;
- the Company may be called upon to make follow-on investments in an existing investment and the Company's failure to participate may have a negative adverse effect on the existing investment;
- the Company may make bridge financings from time to time, which if not converted as intended may expose the Company to unintended risk;
- the Company has made and may continue to make investments in private businesses, including foreign private businesses, where information is unreliable or unavailable;
- the Company's investee companies may strongly depend on the business and technical expertise of their management teams;

- the Company's investee companies will be dependent on intellectual property rights and susceptible to challenges to those rights as well as claims of infringement of third parties' rights, which could have a material adverse effect on the value of the Company's investment;
- the effect of competition on the Company's investee companies;
- government regulation of the food industry may create risks and challenges for the Company's investee companies;
- the effect of product labelling requirements on the Company's investee companies;
- the effect of the price of raw materials on the Company's investee companies;
- the effect of consumer trends on the Company's investee companies;
- the ability of the Company's investee companies to properly manage their supply chains, including the limited number of suppliers of raw materials and the exposure to a disruption in the supply of key ingredients, including as a result of COVID-19;
- the effect of climate change on the Company's investee companies;
- food safety and consumer health may create risks and challenges for the Company's investee companies;
- the ability of the Company's investee companies to maintain and grow the value of their brands, and to protect the reputation of the same;
- the effect of internet search algorithms on the Company's investee companies' ability to attract new customers and retain existing customers;
- the exposure of the Company's investee companies to risks associated with leasing commercial and retail space;
- the effect of product innovation on the Company's investee companies;
- the ability of the Company's investee companies to retain current customers and/or recruit new customers;
- the Company's investee companies may become party to litigation;
- the market price of the Common Shares may be adversely affected by stock market volatility;
- there may not be an active or liquid market for the Common Shares;
- it may be difficult, if not impossible, for U.S. holders of the Common Shares to resell them;
- the Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future;
- the Company will be subject to the additional regulatory burden resulting from its public listing on the CSE;
- future sales or issuances of equity securities could dilute the current shareholders; and
- future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

Unless otherwise indicated, information contained in this Prospectus concerning the Company's industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

The Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Company's internal research, and include assumptions made by the Company which management believes to be reasonable based on their knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Caution Regarding Forward-Looking Statements*" and "*Risk Factors*".

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations appearing in the documents attached as appendices to this Prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"**$**" means Canadian dollars.

"**$0.02 Offering**" has the meaning ascribed thereto on the first page of this Prospectus.

"**$0.02 Special Warrants**" has the meaning ascribed thereto on the first page of this Prospectus.

"**$0.50 Offering**" has the meaning ascribed thereto on the first page of this Prospectus.

"**$0.50 Special Warrants**" has the meaning ascribed thereto on the first page of this Prospectus.

"**$0.10 Warrant**" has the meaning ascribed thereto on the first page of this Prospectus.

"**$1.00 Warrant**" has the meaning ascribed thereto on the first page of this Prospectus.

"**Automatic Exercise Date**" has the meaning ascribed thereto on the first page of this Prospectus.

"**Billy Goat Brands**" or "**Company**" has the meaning ascribed thereto on the first page of this Prospectus.

"**Audit Committee**" means the audit committee of the Company.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

"**Board**" means the board of directors of the Company.

"**CAGR**" means compound annual growth rate.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**COO**" means Chief Operating Officer.

"**Investment Committee**" means the investment committee established pursuant to the Investment Policy.

"**Common Shares**" means the common shares without par value in the capital of the Company.

"**Consideration Warrants**" means the 10,997,800 share purchase warrants of the Company issued pursuant to the FunGuys Acquisition, each of which entitles to the holder to acquire an additional Common Share at a price of $0.25 for a period of twenty-four (24) months following the closing of the FunGuys Acquisition.

"**Development Agreement**" means the consultation and development agreement dated November 6, 2019 between FunGuys and Brew N Bottle Inc. to develop and produce a mushroom-infused cold brew through a 9-phase process.

"**Escrow Agent**" means Endeavor Trust Corporation, the registrar and transfer agent of the Company.

"**Escrowed Securities**" has the meaning ascribed thereto in the section of this Prospectus titled "*Escrowed Securities*".

"**ESG**" means environmental, social and governance.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Final Receipt**" has the meaning ascribed thereto on the first page of this Prospectus.

"**FunGuys**" means FunGuys Beverages Inc.

"**FunGuys Acquisition**" means the transaction of the Company whereby it acquired all the issued and outstanding shares of FunGuys.

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

"**Investee**" means a target investee company of the Company identified under the Investment Policy.

"**Investment Policy**" means the investment policy of the Company, as adopted by the Company's board of directors on April 12, 2021.

"**Investor Rights Agreement**" means the investor rights agreement between the Company and the Vegetarian Butcher dated February 10, 2021.

"**Listing**" means the proposed listing of the Common Shares on the Exchange for trading.

"**Loop**" means Loop Global Holdings LLC.

"**MD&A**" means management's discussion and analysis as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, of the Canadian Securities Administrators.

"**NEO**" or "**named executive officer**" means each of the following individuals of an entity:

(a) the CEO;

(b) the CFO;

(c) each of the three most highly compensated executive officers of an entity, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of an entity or its subsidiaries, nor acting in a similar capacity, at that financial year.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, of the Canadian Securities Administrators.

"**October 14 2020 Financing**" means the seed round financing on October 14, 2020 in which the Company issued 4,000,000 Common Shares at a price of $0.005 per Common Share for aggregate gross proceeds of $20,000.

"**Onboarding Agreement**" means the onboarding agreement between Loop and FunGuys dated February 28, 2021 regarding FunGuys' membership in Loop's circular shopping platform.

"**Person**" includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

"**Principal Regulator**" means the British Columbia Securities Commission.

“**Prospectus**” means this preliminary new issue prospectus dated as of the date on the cover page.

“**Qualification Date**” means the date the Final Receipt has been issued.

“**Qualifying Jurisdictions**” means the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

“**Qualified Shares**” has the meaning ascribed thereto on the first page of this Prospectus.

“**R&D**” means research and development.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

“**SK Credit Facility**” means the credit facility agreement between the Company and Sophie’s Kitchen dated March 15, 2021.

“**SK Debt Purchase Agreement**” has the meaning ascribed thereto under the section *General Development of the Business – Investment Portfolio Transaction – Sophie’s Kitchen.*

“**Sophie’s Kitchen**” means Sophie’s Kitchen, Inc.

“**Sophie’s Kitchen Acquisition**” has the meaning ascribed thereto under the section *General Development of the Business – Investment Portfolio Transaction – Sophie’s Kitchen.*

“**SPA**” means the definitive agreement between the Company and FunGuys regarding the Company’s purchase of all of the issued and outstanding shares of FunGuys dated February 8, 2021.

“**Special Warrants**” has the meaning ascribed thereto on the first page of this Prospectus.

“**Special Warrant Offering**” has the meaning ascribed thereto on the first page of this Prospectus

“**Transaction**” means the transaction by which the Company purchased all the issued and outstanding shares of FunGuys.

“**USD$**” means American dollars.

“**Vegetarian Butcher**” means The Vegetarian Butcher Inc.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of the Common Shares and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms used but not defined in this Summary of Prospectus have the meanings ascribed thereto in the Glossary of Terms.

The Company

The Company was incorporated under the BCBCA on September 22, 2020 as 1266663 B.C. Ltd. On January 5, 2021, the Company changed its name to "Billy Goat Brands Ltd." The Company's head office, as well as its registered and records office, is located at Suite 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company has one wholly-owned subsidiary, FunGuys. See "*Description of the Business*".

Principal Business

The Company is an investment issuer focused on investing in high-potential companies that operate in the plant-based and food technology sector. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in the food and beverage industry, with a focus on: (i) plant-based protein, (ii) functional foods, (iii) food technology, (iv) fermented foods, and (v) cultured and cell agriculture. The Company plans to generate returns on its investments, including through mergers or acquisitions, go-public transactions or other liquidity events of its investee companies or projects. The paramount goal of the Company will be to generate maximum returns from its investments in a manner consistent with its ESG values.

See "*General Development of the Business*" and "*Description of the Business*".

No Proceeds Raised

No proceeds will be raised pursuant to this Prospectus. See "*Use of Proceeds*".

Business Objectives

Over the next 12-month period, the Company will continue to monitor its current investment portfolio and evaluate whether the Company's investee companies should continue to be held in whole or in part or be divested of. The Company's key objective over the next year is to grow its current investment portfolio by adding investments that: (a) are accretive to the existing investment portfolio; (b) provide potential for growth or hyper-growth opportunities; and (c) are consistent with the criteria and objectives set out in the Company's Investment Policy. To review a copy of the Company's Investment Policy, please refer to the heading "*Description of the Business – Investment Policy*".

Listing

The Company has applied for a Listing of its Common Shares on the CSE. As of the date hereof, the CSE has not conditionally approved the Listing, and there is no assurance that it will do so. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including meeting all minimum listing requirements.

Summary of Selected Financial Information

The table below summarizes the financial information for the periods or as at the dates indicated. The summary financial information should be read in conjunction with (i) the Company's audited financial statements and corresponding management's discussion and analysis for the period ended December 31, 2020, (ii) the unaudited financial statements and management's discussion and analysis for the three months ended March 31, 2021; (iii) the audited financial statements of FunGuys and corresponding management's discussion and analysis, which are included in this Prospectus under Appendices B, C, D and E. The selected financial information set out below may not be indicative of the Company's future performance.

Financial Positions	For the three months ended March 31, 2021 ($)	For the period ended December 31, 2020 ($)
Current assets	4,513,258	406,966
Total assets	6,776,022	409,966
Current liabilities	77,439	33,483
Share capital	4,094,209	20,000
Reserves	1,762,621	393,500
Deficit	(1,505,338)	37,017

Financial Results	For the three months ended March 31, 2021 ($)	For the period ended December 31, 2020 ($)
Revenue	Nil	Nil
Expenses	1,468,321	37,017
Net loss	1,468,321	37,017
Net loss per share – basic and diluted	(0.07)	Nil

As of July 31, 2021, the Company had available working capital of $5,160,255. The Company estimates using the available working capital in the 12-months following the date of this Prospectus as follows:

Use of Available Funds	Amount ($)
Available Working Capital (July 31, 2021)	**5,160,255**
Expenditures:	
Estimated remaining costs of the Prospectus and Listing	50,000
Continued development and achievement of milestones(1)	3,150,000
Operating expenses for 12 months(2)	1,799,000
Subtotal	4,999,000
Unallocated Working Capital	**161,255**

Notes:

(1) See "*Use of Proceeds – Business Objectives and Milestones*".

(2) Estimated operating expenses for the next 12 months include:

Operating Expenses 2021-2022 Budget	
Wages and Salaries[a]	$550,000
Administrative Costs	$100,000
Software Maintenance	$24,000
Investor Relations Activities[b]	$400,000
Product Marketing and Advertising[c]	$500,000
Overhead Costs	$50,000
Professional Service Fees	$175,000
Total	$1,799,000

Notes:

(a) Wages and salaries are expected to be comprised of the following positions and yearly salaries: CEO ($150,000), CFO ($120,000), COO ($120,000), Human Resources Consultant ($66,000), Investor Relations consultant ($60,000), Board costs ($34,000).

(b) Investor relations activities are expected to be comprised of $250,000 for digital marketing advertisements and media buys, $100,000 in social media marketing and $50,000 in roadshows and conferences.
(c) The Company has allocated $400,000 to marketing and advertising FunGuys' KOLD coffee launch and roll-out, $50,000 to Sophie's Kitchen marketing support and $50,000 to other product marketing needs should they arise.

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a re-allocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regard to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated.

Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company.

The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results include, but are not limited to: the Company's limited operating history and history of losses; the Company's limited history as an investment issuer; the speculative nature of the investments made by the Company; the Company's need for additional capital, which may not be available to it when required on attractive terms, or at all; the Company's and its investee companies' reliance on key personnel; the competitive nature of the market for investments; potential conflicts of interest between the Company and its directors and management; risks and challenges associated with evaluating investment opportunities and realizing returns on investments; the Company's investments may be illiquid and the Company may not be able to exit the investment on its intended timetable; the Company's investments may potentially suffer from a lack diversification; the effect of market fluctuations on the Company's investments; the risks associated with holding control or exercising significant influence over an investment; the Company may be prohibited from investment opportunities due to its knowledge of material, non-¬public information; the risks associated with minority positions in investee companies; the Company may be called upon to make follow-on investments or may make bridge financings which may expose the Company to unintended risks; the investee companies' reliance on intellectual property rights; the competitive and regulatory environment in which the investee companies operate; the investee companies' exposure to the price of raw materials; the investee companies' expectations regarding consumer trends; the investee companies' ability to manage the supply chain, including the limited number of suppliers of raw materials and the exposure to a disruption in the supply of key ingredients; the investee companies' exposure to climate change; the impact of the COVID-19 on the Company's investee companies and the economy generally; the Company's exposure to food safety and consumer health issues; the ability of the investee companies to maintain the value of their brands and the reputation of the same; the risks associated with leasing commercial and retail space; the investee companies' exposure to risks associate with leasing commercial and retail space; the investee companies' ability to develop innovative products; the investee companies' ability to retain current customers and/or recruit new customers; the Company and/or the investee companies may become a party to litigation; the market price of the Common Shares may be adversely affected by stock market volatility; there may not be an active or liquid market for the Common Shares; it may be difficult, if not impossible, for U.S. holders of the Common Shares to resell them; the Company has not paid in the past and does not anticipate paying dividends on the Common Shares in the foreseeable future; the increased regulatory burden of being a publicly traded company; future sales and issuances of equity securities may dilute current shareholders and reduce the market price of the Common Shares; and the other factors discussed under "*Risk Factors*".

For a detailed description of certain risk factors relating to the Common Shares, which should be carefully considered before making an investment decision, see "*Risk Factors*".

CORPORATE STRUCTURE

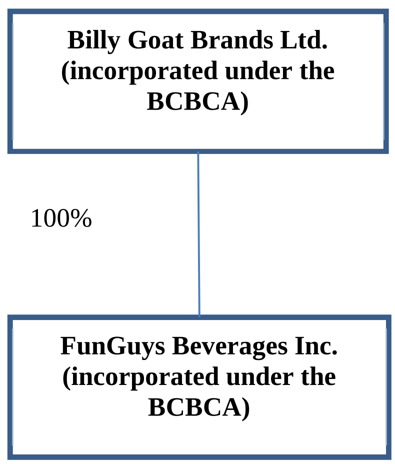
Name, Address and Incorporation

The Company was incorporated under the BCBCA on September 22, 2020 as 1266663 B.C. Ltd. On January 5, 2021, the Company changed its name to "Billy Goat Brands Ltd."

The Company's head office, as well as its registered and records office, is located at Suite 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company has one subsidiary, FunGuys Beverages Inc. See "*Description of the Business*".

Intercorporate Relationships

As of the date hereof, the Company has one subsidiary:



GENERAL DEVELOPMENT OF THE BUSINESS

Summary and Company Overview

The Company is an investment issuer focused on investing in high-potential companies that operate in the plant-based and food technology sector. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in the food and beverage industry, with a focus on: (i) plant-based protein, (ii) functional foods, (iii) food technology, (iv) fermented foods, and (v) cultured and cell agriculture. The Company plans to generate returns on its investments, including through mergers or acquisitions, go-public transactions or other liquidity events of its investee companies or projects.

The Company operates with ESG values and targets investments with organizations that also operate with the same ESG standards. The Company operates with a decentralized executive team, which has enabled the founders of the organization to assemble a formidably talented and experienced global management team even with the challenges of the COVID-19 pandemic.

The Company believes that a robust ESG strategy is key towards delivering what investors want: transparency, long-term value and sustainability. The ultimate portfolio mix of the Company is expected to be skewed to plant-based proteins at 45% and functional foods and beverages at 40%. Food technology (foodtech) is an inherent synergistic fit with the food and beverage products portfolio, and the Company is targeting to have 15% of its portfolio (as measured by dollar value) in foodtech companies.

The Company currently holds the following flagship assets and investments:

- 100% ownership of FunGuys, a British Columbia-based manufacturer and distributer of organic Chaga and Lion's Main infused cold brew coffee under the KOLD™ brand, with a planned Q4 2021 North American launch.

- A 13.3% equity interest and right to acquire an additional 33% equity interest, in Sophie's Kitchen, a USA-based plant-protein packaged goods manufacturer with an innovative line of frozen and shelf-stable seafood products. The acquisition of additional 33% equity interest in Sophie's Kitchen is expected to occur upon funding and conversion of the existing SK Credit Facility and the exercise of subscription rights granted to the Company by Sophie's Kitchen.

- A 12.4% equity interest in the Vegetarian Butcher, a small footprint retail store concept with a multi-location 4-year growth plan. The Vegetarian Butcher currently operates retail stores in Kelowna and Vancouver.

See "*Description of the Business - Material Assets and Investments*" for a more detailed description of the Company's assets and investments.

Three Year History – Billy Goat Brands

The Company was incorporated for the purpose of becoming an investment company and a reporting issuer and listing on a Canadian stock exchange. The Company has had a limited operating history from the time of incorporation on September 22, 2020 to the fiscal year end December 31, 2020. The focus of the Company over the fiscal 2020 period since incorporation was completing the initial non-brokered private placements (see "*Private Placements and Option Grants*" below) to support the initial business plan.

Private Placements and Option Grants

- On incorporation on September 22, 2020, the Company issued 2 incorporation shares at $0.005 per share.

- On October 14, 2020, the Company issued 4,000,000 Common Shares at a price of $0.005 per Common Share as part of a seed round financing for aggregate gross proceeds of $20,000 (the "**October 14 2020 Financing**") pursuant to a private placement.

- On December 4, 2020, the Company issued 19,675,000 $0.02 Special Warrants for gross proceeds of $393,500. On the Automatic Exercise Date, each $0.02 Special Warrant shall be automatically exercised for one unit of the Company without payment of any additional consideration and without further action on the part of the holder. Each unit related to the $0.02 Offering will consist of one Common Share and one (1) $0.10 Warrant with each $0.10 Warrant entitling the holder thereof to purchase one additional Warrant Share at a price of $0.10 per Warrant Share until December 4, 2022.

- On January 28, 2021, the Company issued 3,750,000 Common Shares at a price of $0.10 per Common Share for gross proceeds of $375,000 pursuant to a private placement.

- On February 19, 2021 the Company granted 5,000,000 stock options exercisable at $0.02 per share until the earlier of February 19, 2022 and the date which the Company completes a going public transaction. These stock options were subsequently exercised on April 23, 2021.

- On February 23, 2021 the Company granted 500,000 stock options exercisable at $0.02 per share until the earlier of December 31, 2021 and the date which the Company completes a going public transaction. These stock options were subsequently exercised on April 23, 2021.

- On February 26, 2021, the Company issued 19,840,000 Common Shares at a price of $0.10 per Common Shares for gross proceeds of $1,984,000 pursuant to a private placement.

- On February 28, 2021, and pursuant to the terms of the FunGuys Acquisition, the Company issued 21,995,600 Common Shares and 10,997,800 Consideration Warrants, with each Consideration Warrant entitling the holder to purchase one Common Share at a price of $0.25 per share for a period of twenty-four (24) months from the date of issue.

- On March 29, 2021, the Company issued 2,600,000 $0.25 Units for gross proceeds of $650,000. Each $0.25 Unit is comprised of one (1) Common Share and one-half-of-one (½) Common Share purchase warrants with each whole warrant entitling the holder to purchase one additional Common Share at a price of $0.50 per Warrant Share until March 29, 2023. The Company paid a finder's fee of 102,000 warrants, exercisable to purchase an additional share of the Company at a price of $0.50 per share for a period of two years from closing, and $25,500 cash.

- On April 26, 2021 the Company issued 9,848,733 $0.25 Units for gross proceeds of $2,462,183.25. Each $0.25 Unit is comprised of one (1) Common Share and one-half-of-one (½) Common Share purchase warrants with each whole warrant entitling the holder to purchase one additional Common Share at a price of $0.50 per Warrant Share until April 26, 2023.

- On May 7, 2021 the Company granted 5,625,000 stock options. 5,350,000 of these stock options are exercisable at $0.25 per share until May 7, 2026 and 275,000 of these stock options are exercisable at $0.50 per share until May 7, 2026.

- On May 18, 2021, the Company issued 9,505,000 $0.50 Special Warrants for gross proceeds of $4,752,500. On the Automatic Exercise Date, each $0.50 Special Warrant shall be automatically exercised for one unit of the Company without payment of any additional consideration and without further action on the part of the holder. Each unit related to the $0.50 Offering will consist of one Common Share and one half of one (1/2) $1.00 Warrant entitling the holder thereof to purchase one additional Warrant Share at a price of $1.00 per Warrant Share until May 18, 2023.

- On July 7, 2021, the Company issued 1,275,000 Common Shares to acquire 184,415 common shares of Sophie's Kitchen, representing approximately 1.8% of the issued and outstanding share capital of Sophie's Kitchen.

- On July 7, 2021, the Company issued 1,616,804 Common Shares and made cash payments of USD$970,082.10 to acquire an aggregate of 1,347,336 common shares of Sophie's Kitchen, representing approximately 13.3% of the issued and outstanding share capital of Sophie's Kitchen.

- On July 27, 2021, the Company issued 1,500,000 SK Finders Fee Shares in connection with the Sophie's Kitchen Acquisition and 200,00 VB Finder's Fee Shares in connection with the purchase of the VB Shares.

Investment Portfolio Transactions

FunGuys

On February 8, 2021, the Company entered into a share purchase agreement (the "**SPA**") with FunGuys Beverage Inc. ("**FunGuys**") and the shareholders of FunGuys to acquire all of the issued and outstanding shares of FunGuys (the "**FunGuys Acquisition**"). The FunGuys Acquisition closed on February 28, 2021 and the Company issued 21,995,600 Common Shares and 10,997,800 Consideration Warrants for all of the issued and outstanding securities of FunGuys. Each Consideration Warrant entitles to the holder to acquire an additional Common Share at a price of $0.25 for a period of twenty-four (24) months following the closing of the FunGuys Acquisition. FunGuys is a British Columbia-based company focused on the manufacture and distribution of organic Chaga and Lion's Mane infused cold brew coffee products, under its KOLD brand.

Since the Company's investment in FunGuys, FunGuys has completed the following achievements:

- On February 28, 2021, FunGuys executed an Onboarding Agreement with Loop with respect to FunGuys' membership in the Loop Platform, a circular shopping platform that sells grocery, household and personal care products using reusable and recyclable canisters. Pursuant to the Onboarding Agreement, FunGuys paid Loop a one-time fee of USD$25,000 and is subject to an annual membership fee of USD$5,000. Loop will also provide FunGuys with advisory services related to reusable consumer packaging, quality assurance, marketing and communications.

- FunGuys hired Strother Simpson of Brew N Bottle, Inc. to a three-year employment contract to lead its coffee R&D and manufacturing programs.
- FunGuys continued the R&D of its “Ready-to-Drink” products, with proprietary manufacturing methodologies and botulism tests, which FunGuys will look to submit to the United States Food and Drug Administration for approval.
- FunGuys accelerated its KOLD brand go-to-market strategy development.
- FunGuys hired Partners & Hawes Agency to prepare the KOLD brand for market.
- FunGuys established market ready brand books for all mediums.
- FunGuys began development of an e-commerce website.
- FunGuys has sourced various manufacturers and products for the go-to-market plan

Sophie’s Kitchen

Sophie’s Kitchen is a plant-protein packaged goods manufacturer with an innovative line of frozen and shelf-stable plant-based “seafood” products. Headquartered in Las Vegas, Nevada, USA, Sophie’s Kitchen frozen and shelf-stable plant-based alternative food products for vegans and non-vegans alike, are soy-free, gluten-free and non-GMO.

The Company entered into two finder’s fee agreements dated January 4, 2021 regarding an opportunity to invest in and/or acquire Sophie’s Kitchen (the “**SK Finder’s Fee Agreements**”). Pursuant to the terms of the SK Finder’s Fee Agreements, the Company issued a total of 1,500,000 Common Shares as finder’s fees on July 27, 2021 in connection with its investment in Sophie’s Kitchen (the “**SK Finder’s Fee Shares**”). The SK Finder’s Fee Shares become freely tradable in tranches, with 10% freely tradable upon the expiration of the customary 4 month hold period following the Listing and the remainder in tranches of 15% every three months thereafter.

On March 15, 2021, the Company entered into a credit facility agreement with Sophie’s Kitchen to establish a credit facility in the principal amount of USD$3,000,000 (the “**SK Credit Facility**”) at the rate of 6% interests per annum with a maturity date 12 months after closing. The SK Credit Facility permits short term loans for general working capital purposes of Sophie’s Kitchen. The maximum monthly draw from the SF Credit Facility is USD$500,000. These loan proceeds can be converted to Sophie’s Kitchen common equity at any time prior to the maturity date at the option of the Company at a pre-determined valuation. In any event, the loan has a mandatory conversion provision into Sophie’s common equity at the maturity date. The Company also has a share subscription option at a predetermined valuation, to acquire additional common shares of Sophie with a value of USD$2,618,500, less the accrued interest. Such share subscription option is in the form of an additional cash investment made by the lender in the amount of USD$2,400,000 and an in-kind investment in the amount of USD$218,500 in the form of Common

Shares based on a price of $0.25 per Common Share at prevailing exchange rates. The USD$218,500 represents an outstanding liability (the "**SK Debt**") owed by Sophie's Kitchen to a creditor (the "**SK Creditor**"). In aggregate, the Company has the right to acquire up to a 33% equity stake in Sophie's Kitchen pursuant to the SK Credit Facility.

As consideration for the provision of the SK Credit Facility, the Company also received share purchase warrants entitling the Company to acquire additional common shares of Sophie's Kitchen with a value of USD$1,500,000 based on a twenty percent discount from the post-subscription valuation of Sophie immediately prior to a public listing of Sophie.

On April 28, 2021, the Company entered into agreements with certain shareholders of Sophie's Kitchen (the "**SK Vendors**") to acquire an aggregate of 1,347,336 common shares of Sophie's Kitchen valued at USD$1,616,803 (USD$1.20 per share), representing approximately 13.3% of the issued and outstanding share capital of Sophie's Kitchen (the "**Sophie's Kitchen Acquisition**"). On July 7, 2021, the Company acquired 1,347,336 common shares of Sophie's Kitchen through the payment of an aggregate of USD$1,616,802 to the SK Vendors, comprised of cash consideration of USD$970,082.10 and share consideration of 1,616,804 Common Shares.

On May 24, 2021 the Company entered into a stock purchase agreement (the "**SK Debt Purchase Agreement**") with Sophie's Kitchen and the SK Creditor in order to settle the SK Debt pursuant to the terms of the SK Credit Facility. Pursuant to the SK Debt Purchase Agreement, and in return for 184,415 common shares of Sophie's Kitchen, the Company issued 1,275,000 Common Shares valued at $0.25 per Common Share to the SK Creditor in order to settle the SK Debt.

Since investing in Sophie's Kitchen, the Company has collaborated with Sophie's management to:

- re-structure Sophie's Kitchen's accounting department, including accounting standards to comply with its future plans to go public and to support on-going management reporting requirements.
- planed strategic hiring initiatives including HR Leader, Operations Leader, Sales Leader, Co-CMO, and Food Scientists.

The Vegetarian Butcher

On February 10, 2021 the Company entered into the Investor Rights Agreement pursuant to which the Company subscribed for 1,842,105 common shares of the Vegetarian Butcher, at a price of $0.19 per share for a total of $350,000, in connection with a private placement being completed by the Vegetarian Butcher (the "**VB Shares**"). Under the terms of the Investor Rights Agreement, so long as the Company and its Affiliates (as defined in the Investor Rights Agreement) hold at least 10% of the outstanding common shares of the Vegetarian Butcher it is entitled to appoint one of the three members of the Vegetarian Butcher's board of directors. Additionally, if the Vegetarian Butcher proposes to issue any common shares pursuant to an equity financing, it must give written notice to the Company detailing the full particulars of the offering and permit the Company to participate in such offering up to a sufficient number of shares to maintain its pro rata ownership interest in the Vegetarian Butcher. The Vegetarian Butcher has also consented to allowing the Company to use its trade name and associated logos in corporate marketing and promotional materials so long as the Company holds at least 5% of its issued and outstanding common shares.

Pursuant to two finder's fee agreements dated January 4, 2021, and in accordance with the requirements of the Exchange, the Company will issue a total of 200,000 Common Shares as finder's fees in connection with the purchase of the VB Shares (the "**VB Finder's Fee Shares**"). Once issued, the VB Finder's Fee Shares will become freely tradable in tranches, with 10% freely tradable upon the expiration of the customary 4 month hold period following the Company's listing on the Exchange and the remainder in tranches of 15% every three months. The VB Finder's Fee Shares have not been issued at this point.

The Vegetarian Butcher aims to provide meat alternatives not only for vegetarians and vegans but for those health-conscious consumers. The Vegetarian Butcher currently has two bricks and mortar locations, one in Kelowna, British Columbia and one in Vancouver, British Columbia, and is negotiating leases for additional bricks and mortar stores additional cities in British Columbia, including Langley, White Rock and North Vancouver. The Vegetarian Butcher products fall into two categories: (a) house-made deli items; and (b) branded third-party and white-label consumer packaged goods. Following the establishment of a retail footprint in British Columbia, the Vegetarian Butcher plans to expands across Canada, starting with stores in Ontario, Canada. In addition, in response to COVID-19, the Vegetarian Butcher has implemented a comprehensive COVID-19 safety plan and has started to focus on building its online sales and delivery platform.

Three Year History – FunGuys

FunGuys was incorporated on October 9, 2019 for the purpose of becoming a beverage manufacturer and distributor. FunGuys has had a limited operating history from its incorporation to its fiscal year end of December 31, 2020. The focus of FunGuys over the fiscal 2020 period since incorporation was entering into consultation and development agreements and advancing its product research and development (see "*Operational History*" below).

To date, FunGuys has not taken any formal steps to protect its intellectual property, but expects to submit trademark applications and other filings as may be advisable in due course.

Operational History - 2019

- On November 6, 2019 FunGuys entered into a consultation and development agreement with Brew N Bottle Inc. (the "**Development Agreement**") to develop and produce a mushroom-infused cold brew through a 9-phase process. Pursuant to the Development Agreement, FunGuys will pay Brew N Bottle Inc. USD$13,300 per invoice prior to beginning Phases 1-4 and an additional USD$7,404 per invoice prior to commencement of Phases 6-9.

- Conducted a mushroom-tasting focus group to identify preferred mushroom varieties and inform product development on December 12, 2019.

Operational History - 2020

- Completed Phase 1 and Phase 2 activities, as defined in the Development Agreement.

- Developed three "ready-to-drink" samples with Brew N Bottle for three different coffees, which were ultimately infused with the selected mushroom variety.

- Developed initial branding concepts and hired experienced personnel from EA Sports, FIFA and Equifara Liquidity Event Planners to manage business strategy and operations.

Operational History - 2021

- Completed roll-out of the KOLD cold-brew coffee brand.

- On January 29, 2021, FunGuys renewed the Development Agreement with Brew N Bottle Inc. for a term of three years, pursuant to which Brew N Bottle will provide FunGuys with beverage development and related services.

- On February 8, 2021, FunGuys entered into the SPA with the Company.

- On February 28, 2021, FunGuys executed an onboarding agreement with Loop with respect to FunGuys' membership in the Loop Platform (the "**Onboarding Agreement**"), a circular shopping platform that sells grocery, household and personal care products using reusable and recyclable canisters. Pursuant to the Onboarding Agreement FunGuys paid Loop a one-time fee of USD$25,000 and is subject to an annual membership fee of USD$5,000. Loop will provide FunGuys with advisory services related to reusable consumer packaging, quality assurance, marketing and communications.

- Concurrently with the renewal of the Development Agreement, on January 29, 2021 FunGuys entered into a consulting agreement with Strother Simpson of Brew N Bottle, Inc. pursuant to which FunGuys has retained Mr. Simpson to provide beverage development and related expertise at a rate of $1,800 per month and sponsor him for a NAFTA work permit.

Impact of COVID-19 Pandemic

Impacts resulting from the COVID-19 pandemic have resulted in a widespread health crisis that has already adversely affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market and financial market volatility, a general reduction in consumer activity, operating, supply chain and project development delays and disruptions; and declining trade and market sentiment, all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk.

The Company and its investments are subject to the cycles of the financial markets. The impact of these cycles are now magnified and volatile due to the effects of the COVID-19 virus. Current global financial and economic conditions can be unpredictable. Many industries are impacted by these market conditions and the COVID-19 virus. Some key impacts of the current financial market impacts arising from the COVID-19 virus include high volatility in global equity, commodity and foreign exchange rates, as well as novel fiscal policy and monetary policy. Such factors may impact the Company's investment decisions.

For more details concerning the Company's and its investments' initiatives, see "*Description of the Business – Material Assets and Investments*".

The overall severity and duration of COVID-19-related adverse impacts on our business will depend on future developments, which we cannot currently predict, including directives of federal, state and provincial governments and health authorities. See "Risk Factors".

DESCRIPTION OF THE BUSINESS

The Company aims to provides diversified exposure to expansion-stage companies with ESG values, in key categories including functional foods, food technology and plant-based proteins, and is led by an accomplished team with a broad range of experience in deal structuring and operational excellence.

Investment Decisions

Investment decisions of the Company are guided by the Company's Investment Policy and by an Investment Committee established thereunder and consisting of the following individuals:

- Todd Buchanan, Chairman of Investment Committee;
- Kristian Dahl, COO & Director;
- Asghar Khan, Investment Committee member;
- Natasha Raey, Director; and
- Lindsay Hamelin, Director.

On April 12, 2021, the Company adopted an investment policy to govern its investment activities (the "**Investment Policy**"). The Investment Policy sets out, among other things, the investment objectives and strategy of the Company based on certain fundamental principles, and is set out in its entirety below**.**

Investment Policy

Bill Goat Brands Ltd. is an investment issuer whose primary objective is to invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in the food and beverage industry, with a focus on: (i) plant-based protein, (ii) functional foods, (iii) food technology, (iv) fermented foods, and (v) cultured and cell agriculture.

Investments will be acquired and held for short-term gains, income generation, or long-term capital appreciation, dependent upon the specific investment. The paramount goal of the Company will be to generate maximum returns from its investments.

The Company may establish an investment committee to oversee the identification, review and implementation of investments. The investment committee shall be comprised of a majority of members of the Company's board of directors. The Company may also engage an investment manager to assist with identifying and executing upon investments, as well as monitoring investments over time.

While the Company's focus will be on making investments in businesses that are involved in the above-mentioned sectors, the actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of its investments, developments in existing and potential markets, and risk assessment. The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of the investment committee or senior management and approval by the Company's board of directors. The Company's board of directors reserves the right and authority to change the general or specific focus of the Company's investments over time; and reserves the right to diversify the Company's portfolio of investments by industry, geography, and investment type without prior announcement or notice being given.

The Company anticipates re-investing the profits realized from its investments to further the growth and development of the Company's investment portfolio. The declaration and payment of dividends toshareholders will become a priority once the Company has achieved steady or continuous cash flow from its investments.

Investment Objectives

The principal investment objectives of the Company are as follows:

- to seek high return investment opportunities by investing directly in a variety of securities or interests of public and private companies and assisting in early stage projects by providing financialsupport;
- to identify early stage opportunities with attractive risk/reward ratios;
- to preserve its capital and limit the downside risk of its capital;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with each form of investment;
- to seek liquidity in its investments; and
- surplus working capital funds may be temporarily invested in general marketable securities.

Investment Strategy

To achieve the investment objectives as stated above, while mitigating risk, the Company, when appropriate, shall employ the following strategies:

- The Company will obtain detailed knowledge of the relevant business in which the investment will be made, as well as the target company ("*Investee*").
- The Company will seek to retain management or consultants having specific industry expertise within the industry or sector in which an investment is contemplated or has been made.
- The Company will work closely with the Investee's management and board, and in some cases, assist in sourcing experienced and qualified persons to add to the board and/or management of the Investee. In certain circumstances, a representative of the Company may be appointed to anInvestee's board of directors.
- Investments may include:
  - equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, streaming investments, net profit interests and other hybrid instruments;
  - acquisitions, partnership interests, or joint venture interests with Investees;
  - acquisition of a business or its assets, directly or via a wholly owned subsidiary, andsubsequent managing or assisting in developing the underlying business;
  - capital investment in private companies, and assistance in moving them to an acquisition or merger transaction with a larger company or to the public stage through initial publicoffering, reverse takeover or other liquidity event;
  - early stage equity investments in public companies believed to have favourable management and business; and
  - where appropriate, acting as a third-party advisor for opportunities in target or other companies, in exchange for a fee.
- The Company will have flexibility on the return sought, while seeking to recapture its capital within a reasonable period following the initial investment(s).

- The Company will seek to maintain the ability to actively review and monitor all of its investments on an ongoing basis. Investees will be required to provide continuous disclosure of operations and financial status. From time to time, the Company may insist on board or management representation on Investees.
- The Company will continually seek liquidity opportunities for its investments, with a view to optimizing the return on its investment; recognizing that no two investments will be alike in terms of the duration held or the best means of exiting an investment.
- The Company may acquire interests in Investees within the framework of the above guidelines, which from time to time may result in the Company holding a control or complete ownership position in an Investee.
- The Company may utilize the services of both independent organizations and securities dealers to gain additional information on target investments where appropriate.

Notwithstanding the foregoing, from time to time, the Company's board of directors may authorize such investments outside of these disciplines as it sees fit for the benefit of the Company and its shareholders.

Pending investment of available funds, monies will be held in bank or trust accounts with Schedule Afinancial institutions.

Investments

Principal Targets: The Company's primary focus will be to seek high returns by making investments in companies involved in the following spaces: (i) plant-based protein, (ii) functional foods, (iii) food technology, (iv) fermented foods, (v) cultured and cell agriculture; (vi) marine biotechnology; (vii) ocean carbon sequestration; and (viii) ocean waste and marine plastic management.

Composition: The actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including:

- inherent value of an investment target company's assets or potential;
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- financial performance;
- exit strategies and criteria;
- product – whether the product is unique to a category (disruptive);
- distribution – whether the company is currently in distribution;
- growth – whether there is current production development in place for new items and a high level of research and development on new products, and
- analysis of gross margins, time line to break-even or profits.

The Company will not be bound or restricted as to the geographic, percentage diversity, number of investments, or other restrictive parameters; but may exercise flexibility in its approach to and investment of available funds.

Types: The Company will maintain a flexible position with respect to the form of investments taken, and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, joint ventures, partnerships, net profit interests and other hybrid instruments.

Timing*:* The timing of the Company's investments will depend, in part, on available capital at any particular time, and the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to create a suitably diversified portfolio of investments and not retain available cash. The Company will not be bound or restricted as to the timing to invest available capital; but will seek to fully deploy available capital in as expeditious a manner as possible.

Notwithstanding the above, the Company must invest at least 60% of its available capital resources in Investees, in accordance with the investment objectives and strategy outline herein, at all times (subject toa reasonable period of time following each raising of additional capital). In the event it fails to meet this requirement for a period of 180 days or more, it will forthwith call a meeting of its shareholders for the purpose of seeking majority of the minority approval (excluding management and insiders) to one of (i) continue to seek investment opportunities in accordance with the investment policies and strategies outlined herein, or (ii) discontinue its operations as an investment company and seek alternative opportunities, or (iii) liquidate and discontinue all operations and return the proceeds therefrom to the minority shareholders as a return of capital or cash dividend.

Size: The Company will not be bound or restricted as to the overall size of its investment portfolio. The Company may raise additional funds continuously for purposes of expanding its investment portfolio; or may choose to limit its size based on available management time or investment opportunities. The Company not be limited as to the size of any particular investment it may make or the percentage interest any one investment may be of the Company's overall portfolio. As such, the Company may hold a material or majority of its investments in one Investee or a relatively few number of Investees. Further,the Company will not be limited as to the percentage interest it may hold in any Investee, which may result in the Company holding a control position or even complete ownership of an Investee.

Investee Structures: The Company will not be bound or restricted as to the nature or structure ofInvestees. Investees may be public or private corporations, partnerships, joint ventures or other legal entities.

Compliance: The Company will use its reasonable commercial efforts to ensure that with respect to every investment made by the Company that the Investee is in full compliance with all applicable regulatory requirements enacted by the applicable regulatory authorities in the jurisdiction in which it operates.

Nature of Involvement

The Company may, from time to time, seek a more active role in Investees, and provide such entities withfinancial and personnel resources, as well as strategic counsel. The Company may also ask for board representation in cases where it makes a significant investment in the Investee. The Company's nominee(s) shall be determined by the Company's board of directors as appropriate in such circumstances. Without limiting the generality of the foregoing, the Company's involvement in each Investee may include the following:

- advising management of the investment company;
- assisting management of the investment company in finding new sources of financing and capital;
- strategic guidance;
- sourcing industry experts;
- taking an active role in recruiting new management for the investment company;
- finding and appointing advisory board members for the investment company;
- taking a seat on the board of directors of the investment company; and
- making strategic introductions to potential business partners.

Registration Status

The Company will aim to structure its investments in such a way that the Company is not deemed to be either an investment fund or mutual fund, as defined by applicable securities laws, thereby avoiding the requirement to register as an investment fund manager or investment advisor.

Conflicts of Interest

The Company recognizes that its directors, officers are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including Investees. These persons may also engage in transactions with the Company where any one or more of them is acting in a capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar tothose which would apply in a like transaction between parties not connected with any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

The Company has no restrictions with respect to investing in Investees in which a director or member of management may already have an interest. However, directors and senior officers will be required to disclose any conflicts of interest, including holding any interest in a potential investment. Further, wherea conflict is determined to exist, the person having a disclosable interest shall abstain from making furtherdecisions or recommendations concerning such matter, and any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested members of the Company's board of directors.

The Company will also be subject to "related party" transaction policies of the securities exchange(s) on which its shares are listed for trading. Such policies may require disinterested shareholder approval and valuations for certain investment transactions.

Prior to making any investment commitment, the Company shall adopt procedures for checking for potential conflicts of interest, which shall include but not be limited to a circulation of the names of a potential target corporation and its affiliates to the Company's board of directors and management.

Procedures and Implementation

The Company's board of directors may appoint an Investment Committee (the "**Committee**") to be responsible for assisting the Company's board of directors in discharging the Company's board of directors' oversight responsibilities relating to investment opportunities. These individuals would be expected to have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

If appointed, prospective investments will be channeled through the Committee. The Committee willmake an assessment of whether each proposal fits with the investment and corporate strategy of the Company in accordance with the investment objectives and strategy set out herein, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

The Company will seek to obtain detailed knowledge of the Investee and its business including its management team, quality of asset(s), and associated risks, as applicable.

Once a decision has been reached to recommend investing in a particular situation, a summary of the rationale behind the investment decision will be prepared by the Committee and submitted to the Company's board of directors. This summary is expected to include, among other things, the estimated return on investment, timeline of investment, guidelines against which future progress can be measured, and risks associated with the investment.

All investments will be submitted to the Company's board of directors for final approval. The Committee will monitor the Company's investment portfolio on an ongoing basis, and will be subject to the direction of the Company's board of directors. The Committee will present an overview of the state of the investment portfolio to the Company's board of directors on a quarterly basis.

The representative(s) of the Company involved in negotiating the structure of the Company's investment will be determined in each case by the circumstances of the investment opportunity.

Amendment

The Company's investment objectives, investment strategy, principal investment targets and investment restrictions may be amended from time to time on the recommendation of the investment committee or senior management and approval by the Company's board of directors.

Dividends

The Company does not anticipate the declaration of dividends to shareholders during its initial stages and plans to reinvest the profits of its investments to further the growth and development of the Company's investment portfolio. As part of the Company's overall objective of maximizing returns on its investments, it will seek to maximize value to its shareholders. As such the declaration and payment of dividends to shareholders may become a priority once the Company has achieved steady or continuous cash flow from its investments.

Investment Experience

Management of the Company has an established track record of acquiring and divesting interests in arms-length enterprises in a manner that can be characterized as conducting an active business.

Tony Harris, CEO and Director

Through his primary business ventures, Tony Harris Enterprises Inc., Tony Harris Developments Inc. and Tony Harris Keeps It Real Estate Inc., Mr. Harris has extensive experience buying, selling and operating businesses, as well as buying land, designing/building and selling various real estate developments. A registered developer in the province of British Columbia, he has valued, negotiated and completed a variety of transactions including the asset sale of Harris Mitsubishi in Nanaimo, British Columbia (a franchised OEM Mitsubishi Dealership) in 2015 and the asset purchase of Nanaimo Chrysler Dodge Jeep Ram Ltd. (a franchised OEM FCA Dealership) in 2018. Also in 2018, Mr. Harris completed the development of LEGASEA in Nanaimo, British Columbia. LEGASEA is a mixed-use commercial and residential townhome project which subsequently won the Vancouver Island Real Estate Board's Mixed-Use Project of the Year as well as the Overall Judge's Choice Project of the Year.

In 2018 Mr. Harris took over Canutra Naturals Ltd. ("**Canutra**"), an emerging privately-held hemp company, and undertook a restructuring of the company and its business plan, which also entailed the acquisition of a 100+ acre farm in New Brunswick. Canutra was subsequently sold to an arms-length, publicly traded investment issuer.

Additional transactional experience includes the 2019 purchase of two acres of land in Nanaimo, British Columbia and subsequently designing a mixed-use development consisting of a 100-unit apartment building and freestanding commercial space. This development, consisting of plans and rights to purchase the land, was subsequently sold to Primex Investments Ltd., a real estate developer and property management company from Vancouver.

Kristian Dahl, COO and Director

Mr. Dahl has extensive experience in analyzing the investment quality of businesses and marketplace trends. His past experience includes working as an analyst and relationship manager with TD Commercial Banking and TD Waterhouse, where he managed a 50-person team in 13 offices across Western Canada overseeing over $30 billion in assets under administration and oversaw several acquisitions of buy-side and sell-side businesses and business assets for clients.

More recently, Mr. Dahl has served as the founder and Managing Director of Greenbridge Capital Corp., a niche lender which provides liquidity to law firms and their clients. Representative work includes the 2016 financing of the working capital and business startup needs of a law firm and the underwriting and funding of two books of business from two separate law firms. To date, through Greenbridge Capital Corp. Mr. Dahl has advanced over 500 individual loans to retail borrowers.

Kerry Biggs, CFO and Director

Mr. Biggs has extensive experience across a number of business lines. From 1997 to 2004 Mr. Biggs worked in corporate finance, treasury and business development at Enbridge Inc. In this role, he was involved in the assessment of over 50 different assets for acquisition or divestiture, including valuation, capital structure, cost of capital and financing. He was also a member of the deal team executing a number of complex transactions, including the acquisitions of pipelines in Texas and the initial public offering of Enbridge Energy Partners on the Toronto Stock Exchange.

From 2004 to 2008, Mr. Biggs served as Treasurer at Finning International Inc., and in this capacity he oversaw its global capital structure and balance sheet. He was a deal team member and involved in the valuation and financing of the purchase of a $145 million publicly-traded oil services firm, and was also a deal team member and involved in the valuing of the sale of two UK-based assets for over $450 million. He also led the negotiation and execution of a syndicated $800 million credit facility for the company and its subsidiaries.

From 2008 to 2016, Mr. Biggs served as Vice President, Finance at Global Container Terminals ("**GCT**") where he led the valuation, financing and negotiation of multiple projects, including two significant infrastructure projects: the $300 million rail expansion at GCT's Deltaport facility and a $400 million semi-automated container facility in New Jersey, USA.

From 2016 to 2018 Mr. Biggs served as Vice President, Treasurer at Lululemon Athletica Inc. ("**Lululemon**") where he was responsible for managing Lululemon's cash position and overall capital structure, as well as overseeing a number of transactions including the valuation, negotiation and funding of an equity investment into 7mesh, a bicycle clothing manufacture.

From 2018 to 2021, Mr. Biggs has served as a chief financial officer and advised numerous growing businesses.

Material Assets and Investments

The following chart is a summary of the Company's material assets and investments. All information concerning the Company's investments, including, without limitation, business history, operations, jurisdictions of operation, regulatory approvals, impact of COVID-19, and COVID-19 response has been furnished by the respective entities as of the date of this Prospectus. Each of FunGuys, Sophie's Kitchen and the Vegetarian Butcher is at an early stage of development and operations have focused on product development and business expansion. None of these companies have generated a profit from operations, nor are cash flows from each of these companies sufficient to meet their respective operating expenses at this time.

Investments		
Company	**Description**	**Investment Details**
FunGuys Beverages Inc.	FunGuys is a distributor and developer of functional mushroom beverages. Its operating brand, KOLD, is an enhanced great tasting cold brew concentrate and coffee that is crafted using 100% High Altitude Colombian Arabica Beans and infused with organic Chaga and Lion's Mane mushrooms. FunGuys is headquartered in British Columbia, Canada, providing a sustainable coffee solution. As the functional mushroom demand in the market continues to exceed growth expectations, FunGuys aims to capture a portion of the functional mushroom market in North America market through e-commerce and 3PL fulfillment. FunGuys has strategically partnered with TerraCycle LOOP for ESG packaging and distribution, keeping sustainability at the core of its mission while making infused cold brew part of the daily coffee ritual.	**Amount of Investment**: $1,100,000, satisfied through the issuance of 21,995,600 Common Shares and 10,997,800 Consideration Warrants. **Investment Type**: Equity **Ownership:** 100%

Investments		
Company	**Description**	**Investment Details**
Sophie's Kitchen, Inc.	Sophie's Kitchen is a plant-based "seafood" brand that is rapidly expanding its product portfolio. Headquartered in Las Vegas, Nevada, USA, Sophie's Kitchen offers a large selection of frozen and shelf-stable plant-based alternatives for vegans and non-vegans alike. Sophie's Kitchen's products are always soy-free, gluten-free, non-GMO and plant-based. Sophie's Kitchen is expanding distribution in the United States through grocery retailers (including Walmart, Whole Foods, and Sprouts Farmers Market) and its D2C channel. The company is targeting global markets in its long-term strategy. Led by Dr. Miles Woodruff MBA Ph.D., a business-focused industry leader with serious conservation experience, Sophie's Kitchen races forward towards its mission of making plant-based food accessible to everyone, everywhere.	**Amount of Investment**: USD$1,835,302, satisfied through the payment of cash consideration of USD$970,082.10 and the issuance of 2,891,804 Common Shares, as well as the SK Credit Facility granted to Sophie's Kitchen in the amount of USD$3,000,000, which is convertible into an additional 31.2% equity in Sophie's Kitchen. **Investment Type**: Equity and debt, including a right to acquire an additional 31.1% equity stake. **Ownership**: 13.3%, with a right to acquire an additional 31.1% upon the conversion of the SK Credit Facility and the exercise of the Company's subscription rights.
The Vegetarian Butcher Inc.	The Vegetarian Butcher aims to provide meat alternatives not only for vegetarians and vegans but for health-conscious consumers. The company's products fall into two categories: (a) house-made deli items; and (b) branded third-party and white-label consumer packaged goods. As the company grows, it plans to introduce its own line of packaged products based on sales-data collection and analysis. The company has projected to open five stores (or near completion) by the end of 2021. The company currently operates locations in Kelowna and Vancouver, British Columbia, with leases out for negotiation in Langley, White Rock, and North Vancouver, amongst other locations in British Columbia. Capital raised from the company's most recent (over-subscribed) private placement will be used to fund expansion and to prepare the company for its planned initial public offering. Following the retail footprint in British Columbia, the company plans to expand nationwide with plans to enter the market in Ontario. In response to COVID-19, the company has implemented a comprehensive COVID-19 safety plan and has started to focus on building its online sales and delivery platform. Because the company opened its doors during the pandemic, there has been no effect on sales or revenue.	**Amount of Investment**: $350,000 cash **Investment Type**: Private placement subscription (1,842,105 common shares of the Vegetarian Butcher at a price of $0.19/share) **Ownership:** 12.4%

Competition

The Company's Investee company's operate in a highly competitive environment in which they compete with large, medium and small established plant-based protein, functional food and foodtech brands. Examples of plant-based protein and foodtech brands include Beyond Meat, Impossible Foods, the Field Roast Grain Meat Co., Tofurkey, Gardein, and Lightlife, as well as medium and smaller companies including Alpha Foods, Sol Cuisine, Wholly Veggie and VG Gourmet. The Company believes the principal competitive factors in the plant-based protein, functional food and foodtech industries include:

- taste;
- nutritional profile, (e.g. protein, fiber and salt content);
- organic, natural, or highly processed ingredients;
- product texture;
- soy, gluten and GMO content;
- ease of integration into consumer diet;
- convenience;
- cost;
- brand awareness and loyalty among consumers;
- product variety and packaging;
- access to retailer shelf space and retail locations; and
- access to restaurant and foodservice outlets and integration into menus.

The Company believes that its current investments and targets compete effectively with respect to many of the above factors. However, some of the companies in this industry have substantially greater financial resources, more comprehensive product lines, broader market presence, longer standing relationships with distributors and suppliers, longer operating histories, greater production and distribution capabilities, stronger brand recognition and greater marketing resources than the investee companies. The Company intends to gain a competitive edge by diversifying its investment portfolio (see "*Investment Policy*"). The Company will likely face intense competition from other companies, some of which have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better-financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants.

Employees and Consultants

As at the date of this Prospectus, the Company has no employees or consultants other than certain directors and officers. See "*Directors and Executive Officers*".

Changes to Contracts

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

Foreign Operations

The Company currently does not have any foreign operations, though one of its investee companies, Sophie's Kitchen, operates in the United States. Expenditures and related net assets of the Company's investments outside Canada are primarily denominated in United States Dollars at this time. Currency fluctuations may affect these operations and the Company's results are subject to financial market risk as a result of fluctuations in currency exchange rates.

Lending

The Company may engage in lending activities from time to time.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding, by the Company during its last three financial years.

Reorganizations

The Company has not completed any material reorganization and no reorganization is proposed for the current financial year.

MARKET AND REGULATORY OVERVIEW

Principal Markets

Health and Wellness

Health and wellness continue to drive growth in the global food and beverage industry—and increasingly, consumers are looking to reduce the impact of their food on the environment. Consumer interest in plant-based proteins, functional foods and foodtech, particularly among millennial and younger generations, has been driven by growing awareness of the long-term health, environmental and animal-welfare impacts of animal-based meat consumption as well as the importance of health and wellness.

We anticipate recognition of these issues to continue to grow and have a positive impact on consumer demand for the products of our investee companies.

The Cold-Brew Coffee Market

The high-income millennial demographic has embraced cold-brew as a "Badge" luxury item. The Perfect Daily Grind credits the appeal of cold-brew for millennials several key factors:[1]

- For Millennials, coffee is more than a product – it is an experience. They are willing to spend more on it and see it as an affordable luxury. They are also more engaged with it, with many appreciating it the way previous generations enjoyed wine and beer.

- Millennials also value convenience. Grabbing a bottle of cold brew from a fridge or ordering a takeaway nitro cold brew is a quick and convenient way for them to experience specialty coffee.

- This demographic is more educated and knowledgeable than before, and they value ethical spending. They also are interested in brands that offer sustainability and eco-friendly products.

The Functional Mushroom Market

Each serving of KOLD is infused with 20 grams of Chaga and Lions Mane mushroom extract. Chaga has been used for centuries in Siberia and other parts of Asia as a medicine to boost immunity and overall health.[2] Lions Mane is also centuries old, and is credited with improving brain functions, lowering anxiety, improving heart and digestive functions and relieving overall diabetes symptoms.[3]

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[1] https://perfectdailygrind.com/2020/01/how-cold-brew-captured-the-millennial-market/
[2] Healthline, *What are Chaga Mushrooms and Are They Healthy*, available at: https://www.healthline.com/nutrition/chaga-mushroom#bottom-line
[3] Healthline, *9 Health Benefits of Lion's Mane Mushrooms*, available at: https://www.healthline.com/nutrition/lions-mane-mushroom.

The Plant-Based Protein Market

The global plant-based protein market stood at USD$10.3 billion in 2020 and is projected to grow to USD$15.6 billion by 2026 which represents a CAGR of 7.2%. By 2026, the American market is forecast to stand at USD$5.6 billion (approx. 36% of the global market) representing a 7% CAGR on the base year of 2020.[4]

The growth of this market is due in large part to the increase of veganism. In addition, this growth is also due to a significant increase in manufacturer involvement in plant-based proteins which is, in turn being driven by a robust retail market for plant-based products. Also fueling this growth is that consumers are continuing to lean to a more nutritious diet that is moving away from conventional animal-based proteins to organic and plant-based alternatives. Food-tech has contributed to a wide array of plant-based foods and plant-based beverages which have greatly added to the broader scope of available products.

The negative impact on health caused by certain meats has been well publicized in recent years. In 2004, the World Health Organization published materials, which highlighted positive associations between eating red meat and developing colorectal cancer.[5] These materials also indicated that processed meats such as hot dogs, ham, bacon and sausage cause cancer. A similar conclusion was presented at the American Heart Association by researchers who reviewed dietary patterns of over 15,000 participants, over a ten-year period.[6] Additionally, animals and livestock are also susceptible to various diseases such as mad cow (beef), swine flu (pork) and avian influenza (poultry) that may cause further health risks from consuming potentially infected animal meats.

The global livestock industry is estimated to be responsible for a significant portion of global greenhouse gas emissions, such as methane and nitrous oxide.[7] The IPCC Report highlighted that climate change is expected to cause "severe, pervasive, and irreversible impacts" on the natural environment unless carbon emissions are cut sharply and rapidly. The IPCC Report also highlighted that behavioral changes, including dietary changes such as eating less meat, can have a significant role in cutting emissions.

Foodtech

Foodtech involves companies and projects that are using technologies such as the Internet of Things, big data, genetics, robotics, advanced manufacturing and Artificial Intelligence, among other things, to modernize and increase the sustainability and efficiency of food production, processing and distribution. The most significant trends led by existing and emerging foodtech companies include advanced agriculture, the alternative protein market, agricultural robotics and app-based meal and food delivery services. While the list of applications of foodtech is expansive, examples include, (i) personalized diets through the use of Artificial Intelligence, social networks and personal genome information; (ii) laboratory grown meats (iii) vegetable-based meat and dairy alternatives; (iv) upcycling of inputs such as insects, seaweed and traditionally ignored food waste into viable nutrition options; (v) food traceability through the use of immutable ledgers, such as blockchain, in order to ensure food sources; and (vi) automation in farming, supermarkets, food delivery and restaurants through the use of robotics, apps and Artificial Intelligence.

Current start-up foodtech companies account for a small portion of the agri-food industry, but environmental stresses, consumer awareness and preferences for sustainable, healthy and convenient food, are expected to be a driver for the development of innovative foodtech solutions. Where foodtech solutions lead to paradigm shifting developments—

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[4] MarketandMarkets, *Plant-based Protein Market by Source (Soy, Wheat, and Pea), Type (Isolates, Concentrates, and Textured), Form, Application (Food(Dairy Alternatives, Meat Alternatives, and Performance Nutrition) and Feed), and Region - Global Forecast to 2026*, available at:
https://www.marketsandmarkets.com/Market-Reports/plant-based-protein-market-14715651.html.

[5] The World Health Organization, *Q&A on the carcinogenicity of the consumption of red meat and processed meat, October 2015*, available at: https://www.who.int/news-room/q-a-detail/cancer-carcinogenicity-of-the-consumption-of-red-meat-and-processed-meat.

[6] The Cardiology Advisor, *Plant Based Diet Associated with Less Heart Failure Risk Report*, available at: https://www.thecardiologyadvisor.com/home/conference-highlights/aha-2017-meeting-highlights/heart-failure-risk-may-be-reduced-with-a-plant-based-diet/.

[7] *Climate Change 2014: Synthesis Report, Contribution of Working Groups I, II, and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, R.K. Pachauri and L.A. Meyer (eds.). Intergovernmental Panel on Climate Change, Geneva, Switzerland, pp. 151 (the "**IPCC Report**").

such as the rise of food delivery apps, lab grown protein, meatless meat, and other yet undeveloped technologies—early movers in the space are expected to benefit from the creation of new and underserved markets.

In a January 2021 report prepared by Emergen Research on the foodtech market, the authors estimate that the global foodtech market will increase from USD$220.32 billion in 2019 to 342.52 billion by 2027, at a CAGR of 6.0% during the forecast period[8].

Global Resource Usage

Animal-based meat consumption is burdensome on the environment in terms of production inputs. Rising global meat consumption and livestock production has been shown to have major negative impacts on the environment due to the burden placed on land and water resources.[9] According to the Food and Agriculture Organization, livestock occupies 30% of the planet's land surface and accounts for 70% of all agricultural land use. The Water Resources Industry has reported that 29% of the water in agriculture is directly or indirectly used for animal production.[10]

Globally, it is estimated that about 70 billion farm animals are now produced for food each year, with two out of every three being factory farmed. Over the past decade, animal welfare groups have publicized a range of investigations highlighting the issues related to safety, welfare and well-being of animals caused by mass livestock production.

Competitive Conditions

The Company's investee companies operate in a highly competitive environment in which they compete with large established companies in North America, including Laird Superfoods, Very Good Food Co, Whole Earth Brands, Beyond Meat, Pontus Protein, Plant & Co Brands Ltd. and Alpha Foods.

Investment entities with the same industry focus includes Eat Beyond Global Holdings Inc., the first investment issuer in Canada focused on the global plant-based and alternative food sector. Other investment firms that are solely focused on the plant-based food industry include Stray Dog Capital, Veg Capital, Blue Horizon and Natural Order Acquisition.

Regulatory Matters

General

The food industry is highly regulated and is subject to changing political, legislative, regulatory and other influences. In Canada and the United States, such companies are subject to the laws and regulations applicable to any business engaged in formulation, production and distribution of consumer food products. This includes laws governing advertising, consumer protection regulations, environmental laws, laws governing the operation of warehouse facilities and labour and employment laws. Investee companies that export their products are also subject to tariffs, treaties and various trade agreements as well as laws affecting the importation/exportation of consumer goods. The Company makes commercially reasonable efforts to ensure the investee companies are in material compliance with all applicable laws.

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of food products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and other similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial and/or local levels in Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide.

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[8] Emergen Research, *Food Tech Market By Technology Type (Mobile App, Websites), By Service Type (Online Food Delivery, Online Grocery Delivery, OTT & Convenience Services), By Product Type (Meat, Fruits and Vegetables, Dairy), and By Region, Forecasts to 2027*, available at: www.emergenresearch.com/industry-report/food-tech-market

[9] Food and Agriculture Organization, *Livestock's Long Shadow-Environmental Issues and Options*, 2006, available at: www.fao.org/3/a0701e/a0701e00.htm.

[10] Water Resources and Industry, Volumes 1-2, March-June 2013, P.W. Gerbens-Leenes, M.M. Mekonnen, A.Y. Hoekstra, *The water footprint of poultry, pork and beef: A comparative study in different countries and production systems.*

The Company's current investee companies currently operate in Canada and the United States.

Canada

In Canada, the primary federal agencies governing the manufacture, distribution, labelling and advertising of the consumer food products are the Canadian Food Inspection Agency (the "**CFIA**") and Health Canada. Together these agencies regulate product composition, manufacturing, labelling and other marketing and advertising to consumers.

The CFIA has the authority to inspect food facilities to evaluate compliance with prescribed requirements. Additionally, the CFIA requires that certain nutrition and product information appear on investee company product labels. Food companies are also restricted from making certain types of claims about their products, including nutrient content claims, health claims, and claims regarding the effects of their products on any structure or function of the body, whether express or implied, unless they satisfy certain regulatory requirements.

The *Safe Food for Canadians Act* (the "**SFCA**"), the *Safe Food for Canadians Regulations* (the "**SFCR**"), the *Food and Drugs Act* (the "**FDA**") and the *Food and Drugs Regulations* (the "**FDR**") are the main federal food laws and regulations (collectively, the "**Federal Food Laws**"). The responsibility for food labelling is shared between the CFIA and Health Canada.

Under the FDA, Health Canada administers regulations relating to the health, safety, and nutritional quality of food sold in Canada. This includes labelling requirements about the nutrients in food, claims about nutrients, the presence of food allergens, and safety-related expiration dates. Under the FDA and FDR, the CFIA administers non-health and safety food labelling regulations related to misrepresentation, labelling, advertising and standards of identity. The CFIA is responsible for the enforcement of all of the Federal Food Laws.

The SFCR, which came into force on January 15, 2019, imposes additional requirements on food companies, including licences for the export of products. Food companies require a license to manufacture, process, treat, preserve, grade, package or label food products for interprovincial trade or export (the "**SFCR License**").

United States

American food companies, such as Sophie's Kitchen, are subject to extensive laws and regulations in the United States by federal, state and local government authorities. In the United States, the primary federal agencies governing the manufacture, distribution, labeling and advertising of investee company products are the U.S. Food and Drug Administration ("**U.S. FDA**"), and the U.S. Federal Trade Commission ("**FTC**"). Specifically, food companies are subject to the requirements of the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the U.S. FDA.

Under various federal statutes and implementing regulations, these agencies, among other things, prescribe the requirements and establish the standards for quality and safety and regulate investee company product composition, manufacturing, labeling and other marketing and advertising to consumers. Among other things, the facilities in which investee company products and ingredients are manufactured must register with the U.S. FDA, comply with current good manufacturing practices and comply with a range of food safety requirements established by and implemented under the Food Safety Modernization Act of 2011. The U.S. FDA has the authority to inspect these facilities to evaluate compliance with these requirements. The U.S. FDA also requires that certain nutrition and product information appear on product labels and, more generally, that labels and labeling be truthful and non-misleading. Similarly, the FTC requires that investee company marketing and advertising be truthful, non-misleading and not deceptive to consumers. Food companies are also restricted from making certain types of claims about their products, including nutrient content claims, health claims and claims regarding the effects of their products on any structure or function of the body, whether express or implied, unless certain regulatory requirements are satisfied.

In addition, the U.S. Department of Agriculture ("**USDA**") regulates certain categories of food products, including meat and poultry products. Although plant-based products are not currently regulated by the USDA, in February 2018, the USDA received a petition from industry requesting that it exclude products not derived from the tissue or flesh of animals that have been harvested in the traditional manner from being labeled and marketed as "meat," and exclude products not derived from cattle born, raised and harvested in the traditional manner from being labeled and marketed as "beef". The USDA has not yet responded substantively to this petition, but has indicated that the petition is being considered as a petition for a policy change under the USDA's regulations.

The Provincial, State and/or Municipal Legislative and Regulatory Environment

Investee companies will also be subject to certain provincial, state and/or municipal regulations (as applicable), which may require (in addition to federal requirements), among other things, additional health, manufacturing and labeling requirements to be met for premises that process, prepare and sell food to the public. Local (rather than federal) health authorities are often responsible for approving, permitting, inspecting and responding to complaints about food premises. For example, certain local laws and regulations may require facility registration with the relevant local food safety agency, and those facilities are subject to local inspection as well as federal inspection. Accordingly, the Company makes commercially reasonable efforts to ensure the Investee are in material compliance with both federal and local laws, as applicable.

Cautionary Note on Marketing Terminology (Plant-based 'meat' and 'dairy' alternatives)

In recent years, a number of plant-based meat and dairy alternative companies have been the subject of government regulatory investigations relating to the use of words such as "dairy" and "meat" in connection with plant-based products. In certain instances, the matter was resolved through the use of a hyphenated modifier such as "plant-based" or "dairy-free" but in others, revisions to the labelling of products was required in order to distinguish the products at issue from the conventional understanding of meat and cheese products.

The Company acknowledges that while certain investee companies employ the use of clear modifiers to distinguish their products from the conventional understanding of meat products and/or dairy products, other may, in certain instances, market certain products under names commonly associated with animal-based meat products. Accordingly, while the Company believes that the product labels and marketing materials of its investee companies are not misleading or deceptive, there is a risk that the applicable regulatory authority could take up enforcement action against any one of its current or future investee companies. Non-compliance with the labelling requirements could be a breach of government regulations and could lead to fraudulent labelling charges with fines and other penalties associated therewith. For example, in Canada, violators could be fined an amount of up to $50,000 (summary conviction) and $250,000 (conviction by indictment). The CFIA can also recall products and has the power to revoke the licenses required by most food businesses under the new SFCA and SFCR.

USE OF PROCEEDS

Use of Proceeds

The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company in connection with the filing of this Prospectus.

Funds Available and Use of Available Funds

As of July 31, 2021, the Company had available working capital of $5,160,255. The Company estimates using the available working capital in the 12-months following the date of this Prospectus as follows:

Use of Available Funds	Amount ($)
Available Working Capital (July 31, 2021)	**5,160,255**
Expenditures:	
Estimated remaining costs of the Prospectus and Listing	50,000
Continued development and achievement of milestones(1)	3,150,000
Operating expenses for 12 months(2)	1,799,000
Subtotal	4,999,000
Unallocated Working Capital	**161,255**

Notes:

(1) See "*Use of Proceeds – Business Objectives and Milestones*".

(2) Estimated operating expenses for the next 12 months include:

Operating Expenses 2021-2022 Budget	
Wages and Salaries[(a)]	$550,000
Administrative Costs	$100,000
Software Maintenance	$24,000
Investor Relations Activities[(b)]	$400,000
Product Marketing and Advertising[(c)]	$500,000
Overhead Costs	$50,000
Professional Service Fees	$175,000
Total	$1,799,000

Notes:

(a) Wages and salaries are expected to be comprised of the following positions and yearly salaries: CEO ($150,000), CFO ($120,000), COO ($120,000), Human Resources Consultant ($66,000), Investor Relations consultant ($60,000), Board costs ($34,000).

(b) Investor relations activities are expected to be comprised of $250,000 for digital marketing advertisements and media buys, $100,000 in social media marketing and $50,000 in roadshows and conferences.

(c) The Company has allocated $400,000 to marketing and advertising FunGuys' KOLD coffee launch and roll-out, $50,000 to Sophie's Kitchen marketing support and $50,000 to other product marketing needs should they arise.

See "*Financial Statement Disclosure*" and "*Management Discussion & Analysis*".

The Company has a negative operating cash flow for the period ended December 31, 2020. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favorable to the Company (see "*Risk Factors – The Company has negative cash flow from operations and it may never have positive cash flow from operations*").

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regard to any prospective investment or business opportunity, or if the costs of the Prospectus or Listing, are greater than anticipated.

Business Objectives and Milestones

Over the next 12-month period, the Company will continue to monitor its current investment portfolio and evaluate whether the Company's Investees should continue to be held in whole or in part or be divested of. The Company's key objective over the next year is to grow its current investment portfolio by adding investments that: (a) are accretive to the existing investment portfolio; (b) provide potential for growth or hyper-growth opportunities; and (c) are consistent with the criteria and objectives set out in the Company's Investment Policy. To review a copy of the Company's Investment Policy, please refer to the heading "*Description of the Business – Investment Policy*".

In order to meet the Company's key objectives, management will need to source and identify investment opportunities to present to the Investment Committee. Management intends to devote a significant amount of time over the next year in working to identify investments for review by the Investment Committee. In order to grow the Company's investment portfolio, the Company will need additional investment capital. It is expected that the Company will need more capital throughout the year to continue to acquire new investments. The Company will obtain such capital either from the divestiture of its existing investments or from the sale of its own securities. There can be no assurance that the Company will be successful in raising additional capital. See "*Risk Factors*".

The fulfillment of the Company's business objectives will be contingent upon, among other things, compliance of its Investees with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the production and sale of their products (see "*Market and Regulatory Overview*"). The impact of applicable governmental legislative and compliance regime and any delays in obtaining, or failure to obtain, regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company and/or its investments. See "*Risk Factors*".

To achieve the business objective set out above, the following milestones must be met by the Company:

Milestone Description	Estimated Cost ($)	Timeframe
Acquire an additional 13.3% of Sophie's Kitchen	1,212,602	Complete
Create an advisory committee of experienced industry consultants	200,000	Q4 2021
Deploy $1,000,000 over three unique investments per the Company's investment policy.	1,000,000	On-going
Provide advice to The Vegetarian Butcher regarding a public listing	25,000	On-going
Fund remaining investment in Sophie's Kitchen (USD$1,500,000)	1,875,000	On-going
Provide advice to Sophie's Kitchen regarding a public listing	50,000	On-going

The actual amount that the Company spends from its working capital may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under the heading "*Risk Factors*".

The Company has not yet achieved positive operating cash flow and there are no assurances that the Company will not experience negative cash flow from operations in the future.

While the Company, intends to pursue these milestones, there may be circumstances where, for valid business reasons or due to factors beyond the control of the Company (e.g. the COVID-19 pandemic), a re-allocation of efforts may be necessary or advisable. Although the Company does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines or estimates set out above, due to the evolving nature of the COVID-19 pandemic and its impacts, these timelines and estimates may require adjustment in the future.

DIVIDENDS OR DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since its inception, and the Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The BCBCA, however, does prohibit the Company from declaring dividends where, after giving effect to the distribution of the dividend, the Company would not be able to pay its debts as they become due in the usual course of business, or the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company

The Company's MD&A provides an analysis of the Company's financial results for the period ended December 31, 2020, and should be read in conjunction with the Company's financial statements and the notes thereto, respectively. The Company's MD&A is attached to this Prospectus as Appendix "C".

Certain information included in the Company's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Information*" for further detail.

FunGuys

FunGuys' MD&A provides an analysis of FunGuy's financial results for the year ended December 31, 2020, and should be read in conjunction with FunGuys's financial statements and the notes thereto, respectively. FunGuys's MD&A is attached to this Prospectus as Appendix "E".

Certain information included in FunGuys' MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Information*" for further detail.

Additional Disclosure for Junior Issuers

The Company had negative cash flow from operations for its most recently completed financial year and expects to have sufficient funds available to fund operations for a period of 12 months. The Company estimates total operating costs of $4,999,000 to achieve its stated business objectives and milestones. See "*Use of Proceeds*".

DESCRIPTION OF SHARE CAPITAL

No Offering; Qualifying Distribution

This Prospectus is being filed to qualify the distribution of 29,180,000 Common Shares on the conversion of 29,180,000 Special Warrants which are being qualified for distribution pursuant to this Prospectus. See "*Description of the Business – Equity Financings*".

While certain securities are being qualified for distribution pursuant to this Prospectus, no securities are being offered under this Prospectus.

Authorized Capital

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. See "*Consolidated Capitalization*". As of the date of this Prospectus, there are 72,126,139 Common Shares issued and outstanding. In addition, as of the date of this Prospectus, the following convertible securities were issued and outstanding: 17,558,196 warrants, 29,180,000 Special Warrants and 5,625,000 stock options, in each case in accordance with the respective terms of such securities. Upon Listing and the conversion of the Special Warrants, there will be 99,606,139 Common Shares issued and outstanding.

Common Shares

Holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of the Company's assets among its shareholders by way of repayment of capital, the net equity of the Company shall be distributed among the holders of the Common Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Common Shares.

CONSOLIDATED CAPITALIZATION

No securities are being offered pursuant to this Prospectus and, except as disclosed in the following paragraph, there have been no changes in the Company's capitalization since the date of the Company's financial statements for the period ended December 31, 2020.

The following table sets forth the capitalization of the Company as of the date of the Company's financial statements period ended December 31, 2020 and as of the date of this Prospectus. There has been no other material change in the capitalization of the Company since the date of this Prospectus. See "*Prior Sales*".

Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 2020	Amount Outstanding as of the Date of this Prospectus	Amount Outstanding upon Listing	Amount Outstanding upon Exercise of all Convertible Securities
Common Shares	Unlimited	4,000,002	72,126,139	99,606,139	147,216,835
Options	7,212,613	-	5,625,000	5,625,000	-
Warrants	N/A	-	17,558,196	41,985,696	-
Special Warrants	N/A	19,675,000	29,180,000	-	-

OPTIONS TO PURCHASE SECURITIES

The Company has established a stock option plan (the "**Stock Option Plan**"), under which options may be granted to the Company's and its subsidiaries directors, officers, employees and consultants. For a summary of the terms of the Stock Option Plan, see "*Executive Compensation — Compensation Discussion and Analysis – Stock Option Plan*."

As at the date hereof, 5,625,000 options were granted and outstanding under the Stock Option Plan. The maximum number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan at any point in time is 10% of the total issued and outstanding Common Shares on a fully-diluted basis, where the issued and outstanding number of Common Shares on a fully-diluted basis is determined without giving effect to outstanding and unexercised options.

Prior to the adoption of the Stock Option Plan, on February 19, 2021 the Company granted 5,000,000 stock options exercisable at $0.02 per share until the earlier of February 19, 2022 and the date which the Company completes a going public transaction. On February 23, 2021 the Company granted 500,000 stock options exercisable at $0.02 per share until the earlier of December 31, 2021 and the date which the Company completes a going public transaction. After the adoption of the Stock Option Plan, on May 7, 2021 the Company granted 5,625,000 stock options exercisable at $0.50 per share until May 7, 2026.

PRIOR SALES

The following table summarizes all sales/issuances of securities of the Company for the 12-month period before the date of the Prospectus:

Date Issued	Number and Type	Issue or Exercise Price Per Share ($)	Aggregate Issue ($)	Nature of Consideration
September 22, 2020	2 Common	0.005	0.01	Cash
October 9, 2020	4,000,000 Common	0.005	20,000	Cash
December 4, 2020	19,675,000 special warrants(1)	0.02	393,500	Cash
January 28, 2021	3,750,000 Common	0.10	375,000	Cash
February 19, 2021	5,000,000 options(2)	0.02(3)	N/A	Services rendered
February 23, 2021	500,000 options(2)	0.02(3)	N/A	Services rendered

February 26, 2021	19,840,000 Common	0.10	1,984,000	Cash
February 28, 2021	21,995,600 Common	0.05	1,100,000	Pursuant the SPA
February 28, 2021	10,997,800 warrants(4)	0.25(3)	N/A	Pursuant the SPA
March 29, 2021	2,600,000 Common	0.25	650,000	Cash
March 29, 2021	1,300,000 warrants(5)	0.50(3)	N/A	Cash
March 29, 2021	102,000 warrants(5)	0.50(3)	N/A	Finder's Fee
April 23, 2021	5,500,000 Common	0.02	110,000	Cash – Exercise of stock options
April 26, 2021	9,848,733 Common	0.25	2,462,183.25	Cash
April 26, 2021	4,982,066 warrants(6)	0.50(3)	N/A	Cash
May 7, 2021	5,350,000 options(7)	0.25(3)	N/A	Services rendered
May 7, 2021	275,000 options(8)	0.50(3)	N/A	Services rendered
May 18, 2021	9,505,000 special warrants(9)	0.50(3)	4,752,500	Cash
May 28, 2021	137,830 warrants(10)	1.00(3)	N/A	Services rendered
May 28, 2021	38,500 warrants(11)	0.50(3)	N/A	Services rendered
July 7, 2021	1,616,804 Common	0.50	808,401.75	Sophie's Kitchen Acquisition
July 7, 2021	1,275,000 Common	0.25	318,750	SK Debt Purchase Agreement
July 27, 2021	1,500,000 Common	0.10	150,000	SK Finder's Fee Shares
July 27, 2021	200,000 Common	0.10	20,000	VB Finder's Fee Shares

Notes:

(1) On the Automatic Exercise Date, each $0.02 Special Warrant will convert into one unit consisting of one Common Share and one $0.10 Warrant.
(2) Exercised on April 23, 2021.
(3) Exercise price.
(4) Each warrant entitles the holder to purchase one Common Share at a price of $0.25 per share until February 28, 2023.
(5) Each warrant entitles the holder to purchase one Common Share at a price of $0.50 per share until March 29, 2023.
(6) Each warrant entitles the holder to purchase one Common Share at a price of $0.50 per share until April 26, 2023.
(7) Each option entitles the holder to purchase one Common Share at a price of $0.25 per share until May 7, 2026.
(8) Each option entitles the holder to purchase one Common Share at a price of $0.50 per share until May 7, 2026.
(9) On the Automatic Exercise Date, each $0.50 Special Warrant will convert into one unit consisting of one Common Share and one half of one $1.00 Warrant.
(10) Each warrant entitles the holder to purchase one Common Share at a price of $1.00 per share until May 28, 2023.
(11) Each warrant entitles the holder to purchase one Common Share at a price of $0.50 per share until May 28, 2023.

Trading Price and Volume

The Common Shares do not trade on any stock exchange.

ESCROWED SECURITIES

As of the date of this Prospectus, an aggregate of 28,695,600 Common Shares held by certain shareholders of the Company are subject to a contractual 18-month escrow, whereby 10% of the Common Shares will be released upon issuance, with the remaining Common Shares being released in six equal tranches every three months thereafter. The following Common Shares are subject to the 18-month escrow:

- 21,995,600 Common Shares issued to the in connection with the FunGuys Acquisition[11];
- 5,000,000 Common Shares issued to Cabazon Capital Corp. (Craig Bridgman) upon the exercise of stock options on April 23, 2021;
- 1,500,000 SK Finders Fee Shares issued in connection with the Sophie's Kitchen Acquisition;
- and 200,000 VB Finder's Fee Shares issued in connection with the acquisition of an interest in the Vegetarian Butcher.

Following completion of the Listing, an aggregate of 15,556,437 Common Shares held by directors and officers of the Company and their cohabitating family members, as well as 1,275,000 Common Shares held by Mandrillus Holdings LLC (Miles Woodruff) will be held in escrow pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**") and the policies of the Exchange (the "**Escrow Shares**"). In addition, 2,362,500 warrants, including any Common Shares received upon exercise thereof, will be in escrow following completion of the Listing pursuant to NP 46-201 and the policies of the Exchange (the "**Escrow Warrants**", together with the Escrow Shares, the "**Escrow Securities**").

The Escrow Securities are expected to be held in escrow pursuant to an escrow agreement entered into upon the Listing among the Company, the Transfer Agent and certain shareholders pursuant to which the Escrow Securities will be held in escrow (the "**Escrow Agreement**"). The Escrow Securities held by directors and officers of the Company and their cohabitating family members will be held in escrow as required by National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**") and CSE Policy 2 on completion of the Listing. The 1,275,000 Common Shares held by Mandrillus Holdings LLC will be held in escrow pursuant to an agreement between the Company and Mandrillus Holdings LLC.

The Escrow Securities are expected to be subject to the release schedule specified in NP 46-201 for emerging issuers and as set out in the form of escrow required by Policy 2 – *Qualifications for Listing of the CSE*. Ten (10%) percent of the Escrow Securities are expected to be released upon the date of listing on the CSE and an additional 15% are expected to be released every 6 months thereafter until all Escrow Securities have been released (36 months following the date of Listing).

Name	**Designation of Class**	**Securities held in Escrow(1)**	**Percentage of Class(5)**
Tony Harris	Common Shares	5,169,837	5.19%
	Warrants	1,612,500	3.84%
Kristian Dahl	Common Shares	2,881,600	2.89%
	Warrants	750,000	1.79%
Kerry Biggs	Common Shares	2,000,000	2.01%
Leslie Harris(2)	Common Shares	5,000,000	5.02%
Erushka Naiker(3)	Common Shares	505,000	0.51%

[11] 6,525,200 of the 21,995,600 Common Shares issued in connection with the FunGuys Acquisition to Tony Harris Enterprises Inc. (a holding company of Tony Harris, a director and the CEO of the Company) are also subject to a 36-month escrow pursuant to NP 46-201. On August 9, 2021, Tony Harris Enterprises Inc. transferred 3,500,000 Common Shares to Leslie Neal Holdings Ltd.

	Warrants	505,000	1.20%
Mandrillus Holdings LLC (Miles Woodruff)(4)	Common Shares	1,275,000	1.28%

Notes:

(1) The escrow agent under the Escrow Agreement is expected to be the Transfer Agent.

(2) Held by Leslie Neal Holdings Ltd., a company owned and controlled by Leslie Harris, the spouse of Tony Harris, a director and the CEO of the Company. Upon Listing, the Common Shares beneficially owned by Ms. Harris will be subject to escrow pursuant to NP 46-201.

(3) Held by Dr. Erushka Naiker Inc., a company owned and controlled by Erushka Naiker, the spouse of Kristian Dahl, a director and the COO of the Company. Upon Listing, the Common Shares beneficially owned by Dr. Naiker will be subject to escrow pursuant to NP 46-201.

(4) Held by Mandrillus Holdings LLC, a limited liability company owned and controlled by Miles Woodroof, an arms-length investor in the Company. The 1,275,000 Common Shares issued to Mandrillus Holdings LLC in connection with the acquisition of 184,415 common shares of Sophie's Kitchen are subject a contractual 36-month escrow, and will be subject to the Escrow Agreement.

(5) Based on the securities outstanding upon Listing and after the conversion of Special Warrants, being 99,606,139 Common Shares and 41,985,696 warrants.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, Cabazon Capital Corp. (Craig Bridgman) owns 13.51% and Tony Harris owns 11.86%[12] of the issued and outstanding shares of the Company and as at the date of the conversion of the Special Warrants, Tony Harris will beneficially own or exercises control or direction over 10.21%[13] of the votes attached to Common Shares. As at the date of the conversion of the Special Warrants, Cabazon Capital Corp. will own or exercise control or direction over 9.79% of the votes attached to Common Shares.

DIRECTORS AND OFFICERS

The following table provides the names, municipalities of residence, positions, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years	Number of Common Shares Beneficially Owned
Tony Harris CEO and Director Lantzville, British Columbia	November 17, 2020	General Manager at Harris Mazda from April 2015 to August 2020 and President at Tony Harris Enterprises Inc. from June 2006 to present	3,557,337(2) (4.93%)
Kerry Biggs(1) CFO and Director Anmore, British Columbia	September 22, 2020	VP Treasurer at Lululemon Athletica Inc. from June 2016 to September 2018, CFO at True Leaf Brands from September 2018 to October 2019, Unemployed from	2,000,000 (2.77%)

[12] Including the Common Shares held by Leslie Neal Holdings Ltd., a company owned and controlled by Leslie Harris, the spouse of Tony Harris.

[13] Including Common Shares held by Leslie Neal Holdings Ltd., a company owned and controlled by Leslie Harris, the spouse of Tony Harris.

Name and Municipality of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years	Number of Common Shares Beneficially Owned
		November 2019 to October 2020, and CFO at Experion Holdings Ltd. from October 2020 to present.	
Kristian Dahl COO and Director Coquitlam, British Columbia	September 22, 2020	Senior Regional Manager at TD Tower from September 2012 to October 2017 and Managing Director at Greenbridge Capital Corp. from October 2017 to present.	2,131,600 (2.96%)
Lindsay Hamelin(1) Director Vancouver, British Columbia	April 12, 2021	Consultant at Take It Public Services Inc from September 2014 to present.	Nil
Natasha Raey(1) Director Surrey, British Columbia	April 12, 2021	Director of Operations at Surrey North Delta Division of Family Practice from April 2011 to August 2016, CEO of Cadence Health Centre from September 2016 to January 2020, and Consultant at Raey Consulting Corp. from January 2020 to present	Nil
Jan Urata Corporate Secretary Vancouver, British Columbia	April 12, 2021	Founder and principal of Take It Public Services (2011-present)	Nil

Notes:

(1) Member of the Audit Committee

(2) Leslie Neal Holdings Ltd., a company owned and controlled by Leslie Harris, the spouse of Tony Harris, owns an additional 5,000,000 Common Shares.

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

As at the date of this Prospectus, the directors and officers of the Company as a group own beneficially, directly or indirectly or exercise control or discretion over an aggregate of 12,688,937[14] Common Shares, or approximately

[14] Including 5,000,000 Common Shares held by Leslie Neal Holdings Ltd., a company owned and controlled by Leslie Harris, the spouse of Tony Harris.

17.59% of the Common Shares issued and outstanding, and an aggregate of 2,867,500[15] Special Warrants, or approximately 9.83% of the Special Warrants issued and outstanding. Upon Listing and the conversion of the Special Warrants, the directors and officers of the Company as a group will beneficially, directly or indirectly or exercise control or discretion over an aggregate of 15,556,437 Common Shares, or approximately 15.61% of the Common Shares issued and outstanding upon Listing.

Management – Directors and Officers of the Company

Below is a brief description of each director and member of management of the Company, including their names, ages, positions, and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and experience in the Company's industry. As of the date of this Prospectus and other than as set out below, the Company has not entered into any other management, consulting or employment agreements with any of its management team. None of the persons on the management team have entered into either a non-competition or non-disclosure agreement with the Company. The Company anticipates entering into agreements with management in line with industry competitive standards in order to retain and attract the best talent.

Tony Harris – Chief Executive Officer and Director – Age: 37

Mr. Harris has over 20 years of experience as an investor and entrepreneur and has earned the reputation leading high-performance teams. Mr. Harris is the President of Tony Harris Group and a Partner at Harris Auto Group. A graduate of the University of Western Ontario, Mr. Harris also completed Executive Education in leadership and entrepreneurship from Babson College. Mr. Harris is a known community builder and philanthropist and has served as the Vice-Chair of the Nanaimo and District Hospital Foundation.

Mr. Harris is employed by the Company in his role as CEO as an independent consultant. See "*Employment, Consulting and Management Agreements*".

Mr. Harris will devote 75% of his time to the Company.

Kerry Biggs – Chief Financial Officer and Director – Age: 51

Mr. Biggs has over 23 years of finance experience, most recently as CFO of two publicly traded entities within the Canadian cannabis sector. In addition, Mr. Biggs served as Vice President, Treasurer at Lululemon Athletica (NASDAQ: LULU), overseeing capital markets, liquidity, treasury and insurance activities. Mr. Biggs was Vice President, Finance at GCT Global Container Terminals Inc., a company wholly owned by Ontario Teachers' Pension Plan, where he held various senior finance roles at Finning International (TSX: FTT) and Enbridge Inc. (TSX: ENB)

Mr. Biggs holds an MBA from the Richard Ivey School of Business, and a Bachelor of Arts, Political science degree from the University of Victoria. Mr. Biggs is a designated Chartered Professional Accountant.

Mr. Biggs is employed by the Company in his role as CFO as an independent consultant. See "*Employment, Consulting and Management Agreements*".

Mr. Biggs will devote 70% of his time to the Company.

Kristian Dahl – COO and Director – Age: 42

Mr. Dahl is the founder and Managing Director of Greenbridge Capital Corp., a niche lender which provides liquidity to law firms and their clients. Mr. Dahl has 25 years of experience in commercial and retail investment and lending. Prior to Greenbridge Capital Corp., Mr. Dahl worked as an executive with TD Bank and TD Waterhouse, where he managed a 50-person team in 13 offices across Western Canada, overseeing over $30 billion in assets under administration.

[15] Including 505,000 $0.02 Special Warrants held by Dr. Erushka Naiker Inc., a company owned and controlled by Erushka Naiker, the spouse of Kristian Dahl.

Mr. Dahl also holds a FinTech Certificate from Harvard University and a Derivatives Market Specialist designation from The Canadian Securities Institute.

Mr. Dahl is employed by the Company in his role as COO as an employee. See "*Employment, Consulting and Management Agreements*".

Mr. Dahl will devote 75% of his time to the Company.

Lindsay Hamelin – Director – Age: 34

Lindsay Hamelin has 15 years of paralegal experience in corporate and securities law. During her career, she has focused on securities and corporate finance and assists with managing public company requirements with a focus on the CSE, TSXV and TSX stock exchanges, as well as listings on the OTC Markets.

Ms. Hamelin was previously a director of Plant&Co. Brands Ltd. (CSE: VEGN), a company focused on curating plant-based foods. Ms. Hamelin currently serves as the corporate secretary for Supernova Metals Corp. (TSXV: SUPR), an exploration company focused on acquiring and advancing natural resources opportunities within North America, and sits on the board of various private companies.

Ms. Hamelin has entered into a consulting agreement with the Company. See "*Employment, Consulting and Management Agreements*".

Ms. Hamelin will devote 5% of her time to the Company.

Natasha Raey – Director – Age: 39

Natasha Raey is an entrepreneur and philanthropist with over 15 years of operational and project management experience. Ms. Raey's primary sector focus includes healthcare, cannabis, consumer discretionary and women's empowerment. Ms. Raey is the founder of Bloomelix and the CEO of Skye Cannabis. She has had experience developing and executing research projects and has developed action plans and evaluation frameworks for a number of community development and health-focused projects. Ms. Raey is a partner at Cadence Health Centre, and oversees the development and execution of the multi-disciplinary health center and compounding pharmacy.

Ms. Raey is an avid philanthropist with a focus on healthcare and women's empowerment. Ms. Raey is the Founder of SheTalks Global a platform for women to share their stories of empowerment, a movement that has been recognized by CNN International. Currently, Ms. Raey sits on the board of KetamineOne Capital Limited (OTCMKTS: KONEF). Ms. Raey holds an Honors Degree in Molecular Biology and Biochemistry from Simon Fraser University and has a Masters in Health Administration from the University of British Columbia.

Ms. Raey has entered into a consulting agreement with the Company. See "*Employment, Consulting and Management Agreements*".

Ms. Raey will devote 25% of her time to the Company.

Jan Urata – Corporate Secretary – Age: 57

Ms. Urata is the founder and President of Take It Public Services Inc. since 2011, a legal support service for issuers in a variety of industry sectors, and currently serves as corporate secretary for a number of TSX Venture and CSE-listed issuers. Ms. Urata has over 25 years of experience in providing corporate secretarial and regulatory filing services, and has assisted multiple companies in growing from raising initial seed capital through to going public.

Ms. Urata is employed by the Company in her role as Corporate Secretary as an independent consultant. See "*Employment, Consulting and Management Agreements*".

Ms. Urata will devote 5% of her time to the Company.

Asghar Khan – Investment Committee Member – Age: 51

Mr. Khan has extensive experience working with public and private enterprises. Mr. Kahn had served as Regional Head of Strategy and Business Development for PepsiCo, where he drove a multi-billion dollar portfolio in 14 countries across the Asia Pacific, with a primary focus on developing strategy and M&A. Prior to this role, Mr. Khan held senior Finance and Planning positions at Rogers Communications Inc and PwC. Mr. Kahn has also served on the boards of various multi-national corporations in the Asia Pacific region. Mr. Khan is a member of the Chartered Institute of Management Accountants, Australia. In addition, Mr. Khan holds a Bachelor degree from Albright College, and an MBA from Lerner School of Business, University of Delaware and a Master's degree in Finance from The Wharton School of Business, University of Pennsylvania.

Todd Buchanan – Chair, Investment Committee – Age: 59

Mr. Buchanan has over 20-years of experience working with Fortune 500, public and private companies on the creation and implementation of business process management methods and technology. Mr. Buchanan is focused on assisting founders and families operating earlier stage companies from start-up through proof of concept and growth. Mr. Buchanan currently serves in advisory roles and as an officer and director with a number of companies, a mutual fund trust and a not-for-profit organization.

Mr. Buchanan has not entered into any formal agreements with the Company at this time.

Mr. Buchanan will devote 10% of his time to the Company.

Mr. Khan has not entered into any formal agreements with the Company at this time.

Mr. Khan will devote 10% of his time to the Company.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, CEO or CFO of any person or Company, including the Company, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the CEO or the CFO thereof; or

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

Lindsay Hamelin served as a director of Wind River Energy Corp. (TSXV: WVR) from May 2013 to September 2014 and the company was cease traded on September 9, 2014 for failure to file interim financial statements and management's discussion and analysis for the period ended June 30, 2014. The cease trade order was revoked on September 22, 2014. The company has since dissolved with the BC Registrar and no longer exists.

Jan Urata is the Corporate Secretary of Lithium South Development Corporation (formerly NRG Metals Inc.) ("**LIS**"). On June 9, 2020, at the request of management, LIS submitted an application to the BCSC for a management cease trade order (the "**MCTO**") for the postponement of filing its audited financial statements, management's discussion & analysis and related certifications (the "**Financial Materials**") for the year ended December 31, 2019 and Financial Materials for the quarter ended March 31, 2020. On July 16, 2020, the BCSC issued a revocation order for LIS and the MCTO was lifted.

Jan Urata is also the Corporate Secretary of Gold Port Corporation (formerly Corsurex Resource Corp.) ("**GPO**"). On July 21, 2020, the BCSC issued a cease trade order (the "**CTO**") against GPO and its insiders for failure to file its Financial Materials for the year ended December 31, 2019. On July 22, 2020, the CSE suspended GPO from trading.

On August 31, 2020, GPO filed the Financial Materials and the CTO was lifted on September 2, 2020. GPO was reinstated for trading on the CSE on September 3, 2020.

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

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

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

Penalties or Sanctions

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

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

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

Personal Bankruptcies

No director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. There are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

In accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to directors and NEOs of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

In this section NEO means each individual who acted as CEO of the Company, or acted in a similar capacity, for any part of the most recently completed financial year, each individual who acted as CFO of the Company, or acted in a similar capacity, for any part of the most recently completed financial year and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company, at the end of the most recently completed financial year.

The Company's NEOs are:

- Tony Harris, CEO
- Kerry Biggs, CFO

Director and NEO Compensation

Except as described below, for the period from incorporation on September 22, 2020 to December 31, 2020, the Company did not provide any compensation to any of its executive officers.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Tony Harris, CEO, Director	2020	-	-	-	-	-	-
Kerry Biggs, CFO, Director	2020	16,333	-	-	-	-	16,333
Kris Dahl, COO, Director	2020	17,150	-	-	-	-	17,150

Stock options and other compensation securities

For the period from incorporation on September 22, 2020 to December 31, 2020, the Company did not provide any compensation securities to any of its executive officers.

Stock Option Plan

The Company currently has in place a rolling 10% Stock Option Plan, with 5,625,000 stock options currently outstanding under the Stock Option Plan. The Stock Option Plan was approved by the Board of Directors on May 7, 2021 and has not been approved by the shareholders. The Stock Option Plan will be submitted to the shareholders of the Company for approval at the first annual general meeting of shareholders after the Listing.

Purpose

The purpose of the Stock Option Plan is to is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common

Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan is administered by the Board, or by a special committee of directors of the Company appointed from time to time by the Board, pursuant to rules of procedure fixed by the Board. All stock options granted pursuant to the Stock Option Plan will be subject to the rules and policies of the Exchange after the Listing.

Eligibility

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries shall be eligible for selection to participate in the Stock Option Plan.

Availability

The Stock Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares available for issuance under the Stock Option Plan.

The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Company has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (a) any one consultant, or (b) parties providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares. The number of Common Shares subject to an option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the Exchange. In no circumstances shall the maximum term of any stock options granted under the Stock Option Plan exceed ten (10) years.

Exercise Pricing

The exercise price of the Common Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Once the exercise price has been determined by the Board, accepted by the Exchange, if necessary, and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, subject to any requirements of the Exchange.

Vesting

Subject to the requirements of the Exchange, the vesting provisions, the terms and conditions of exercise and forfeiture of the Options and the applicable option exercise expiry date for Options granted under the Stock Option Plan will be determined by the Board of Directors at the time of issuance.

Employment, Consulting and Management Agreements

Tony Harris, Chief Executive Officer

The Company entered into an independent consultant agreement with Tony Harris Enterprises Inc., ("**HarrisCo**") (the "**Harris Agreement**"), effective April 1, 2021 pursuant to which Tony Harris was retained as Chief Executive Officer of the Company via HarrisCo. HarrisCo's compensation in respect of such services included a base fee of $150,000 per year. As additional compensation, on May 7, 2021, the Company granted HarrisCo stock options to purchase 600,000 Common Shares at an exercise price of $0.25 per share (the "**Harris Options**"), with 1/3 of these options vesting every six months from the date of issue. HarrisCo is also entitled to an annual discretionary cash bonus, as well as milestone bonuses based on the achievement of corporate objectives established by the Board.

Kerry Biggs, Chief Financial Officer

The Company entered into an independent consultant agreement with 1231171 B.C. Ltd. ("**BiggsCo**") (the "**Biggs Agreement**") effective April 1, 2021 pursuant to which Kerry Biggs was retained as Chief Financial Officer of the Company via BiggsCo. BiggsCo's compensation in respect of such services included a base fee of $120,000 per year. As additional compensation, on May 7, 2021, the Company granted BiggsCo stock options to purchase 600,000 Common Shares at an exercise price of $0.25 per share, with 1/3 of these options vesting every six months from their date of issue. BiggsCo is also entitled to an annual discretionary cash bonus, as well as milestone bonuses based on the achievement of corporate objectives established by the Board.

Kris Dahl, Chief Operations Officer

The Company entered into an employment agreement with Kris Dahl effective April 1, 2021 pursuant to which he was retained as Chief Operations Officer of the Company (the "**Dahl Agreement**"). Mr. Dahl's compensation in respect of such services includes a base salary of $120,000 per year. As additional compensation, on May 7, 2021, the Company has granted Mr. Dahl stock options to purchase 600,000 Common Shares at an exercise price of $0.25 per share, with 1/3 of these options vesting every six months from their date of issue. Mr. Dahl is also entitled to an annual discretionary cash bonus, as well as milestone bonuses based on the achievement of corporate objectives established by the Board.

Jan Urata, Corporate Secretary

The Company entered into an independent consultant agreement with Take It Public Services Inc., ("**UrataCo**"), effective April 12, 2021 pursuant to which Jan Urata was retained to provide various corporate secretarial and public filing services as the corporate secretary of the Company via UrataCo. UrataCo's compensation in respect of such services included a base fee of $750 per month and additional corporate compliance services on an as-needed, ongoing basis at an hourly rate of $150/hour. As additional compensation, 1065068 B.C. Ltd. (a company controlled by Jan Urata) was granted incentive stock options on May 7, 2021 to purchase Common Shares for $0.50 per share until May 7, 2026.

Natasha Raey, Director

The Company entered into an independent consultant agreement with Natasha Raey (the "**Raey Agreement**"), effective April 15, 2021, pursuant to which Ms. Raey agreed to provide certain strategic business and technical advice to the CEO, Board and senior management team as a director of the Company for a period of 24 months commencing on April 15, 2021. Ms. Raey's compensation in respect of such services includes a base fee of $500 per month. As additional compensation, Ms. Raey was granted stock options on May 7, 2021 to purchase 50,000 Common Shares for $0.50 per share until May 7, 2026.

Concurrently with the Raey Agreement, the Company entered into an indemnity agreement with Ms. Raey pursuant to which the Company will indemnify and save harmless Ms. Raey with respect to any actions or judgements arising from her role as a director, provided she acted honestly and in good faith with a view to the best interests of the Company, had reasonable grounds to believe her conduct was lawful, and is not judged by the court or other competent authority to have committed any fault or omitted to do anything that she ought to have done.

Lindsay Hamelin, Director

The Company entered into an independent consultant agreement with Lindsay Hamelin (the "**Hamelin Agreement**"), effective April 15, 2021, pursuant to which Ms. Hamelin was retained to provide certain strategic business and technical advice to the CEO, Board and senior management team as a director of the Company for a period of 24 months commencing on April 15, 2021. Ms. Hamelin's compensation in respect of such services included a base fee of $750 per month. As additional compensation, Ms. Hamelin was granted stock options on May 7, 2021 to purchase 50,000 Common Shares for $0.50 per share until May 7, 2026.

Concurrently with the Hamelin Agreement, the Company entered into an indemnity agreement with Ms. Hamelin pursuant to which the Company agreed to indemnify and save harmless Ms. Hamelin with respect to any actions or judgements arising from her role as a director, provided she acted honestly and in good faith with a view to the best interests of the Company, had reasonable grounds to believe her conduct was lawful, and is not judged by the court or other competent authority to have committed any fault or omitted to do anything that she ought to have done.

Termination and Change of Control Benefits

Each of the Harris Agreement, the Biggs Agreement and the Dahl Agreement (collectively the "**Executive Agreements**") are currently the only agreements in place that provide for payments following or in connection with any termination, resignation, retirement, change in control of the Company (or a subsidiary) or a change in responsibility.

In the Executive Agreements, the following terms have the following meaning:

"**Cause**" means just cause to terminate an employment relationship at common law.

"**Change of Control**", with respect to the Company, means:

(a) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons or entities who were the beneficial owners of the issued and outstanding shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than fifty percent (50%) of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;

(b) the sale, exchange or other disposition to a person or entity other than an affiliate of the Company, of all, or substantially all, of the Company's assets; or

(c) a change in the composition of the Board which occurs at a single meeting of the shareholders or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

"**Good Reason**" means the occurrence of any of the following without the consultant/employee's prior written consent:

(a) a material change in the consultant or employee's overall authority and responsibilities with the Company;

(b) a decrease in the consultant or employee's base fee or salary, as applicable; or

(c) a material decrease in the consultant or employee's compensation and benefits (not including variability in any discretionary bonus awards).

Notice

Each Executive Agreement can be terminated by the respective consultant or employee (i) without cause at any time on giving the Company not less than four weeks prior notice of such termination; and (ii) with cause in the event the Company commits a material breach of the agreement, subject to a 15-day cure period for the Company if such breach is capable of being cured. Each Executive Agreement can be terminated by the Company (i) without cause at any time on giving notice to the respective consultant or employee specifying the date of termination; and (ii) with cause at any time for just cause.

Termination for Any Reason

Upon the termination of any of the Executive Agreements for any reason, the respective consultant or employee is entitled to:

(a) any unpaid base fee or salary, as applicable, less any statutory deductions;

(b) any earned but unpaid bonus except in the case of resignation by the consultant or employee; and

(c) reimbursement for any unreimbursed business expenses.

(collectively, the "**Accrued Termination Entitlements**")

Termination by Company without Cause or Termination by Consultant/Employee for Good Reason

Upon the termination of any of the Executive Agreements by the Company without Cause, or by the consultant/employee for Good Reason, the respective consultant or employee is entitled to the corresponding separation package (the "**Separation Package**"):

(a) the immediate accelerating and vesting of all unvested options granted pursuant to their respective Award Agreement; and

(b) a lump sum cash payment of:

    i. in the case of HarrisCo, $25,000;

    ii. in the case of BiggsCo, $20,000; and

    iii. in the case of Mr. Dahl, $20,000.

Termination by the Company on a Change of Control

With respect to each of the Executive Agreements, if at any time during the term of the respective agreement there is a Change of Control and within six months of such Change of Control, there is a termination of the employment agreement by the Company, without Cause, the executive shall then be entitled to receive from the Company their respective Accrued Termination Entitlements and Separation Package, with the exception that the lump sum cash payments are increased as follows:

(a) in the case of HarrisCo, a lump sum payment of $450,000;

(b) in the case of BiggsCo, a lump sum payment of $360,000; and

(c) in the case of Mr. Dahl, a lump sum payment of $360,000.

Non-Compete and Non-Sollicitation

Each of the Executive Agreements provides that, during the consultant or employee's period of engagement and for a period of six months after its termination for any reason (the "**Non-Compete Period**"), the consultant or employee is subject to restrictions encompassing all of Canada. During the Non-Compete Period the consultant or employee may not attempt, in any way to redirect any customer, client or supplier with which the consultant or employee had business contact or received confidential information from away from the Company or otherwise discontinue or alter its relationship with the Company or its affiliates. During the Non-Compete Period the consultant or employee must also not induce any employee of the Company or its affiliates who they supervised or had significant business contact with to discontinue or alter its relationship with the Company or its affiliates.

Oversight and description of director and named executive officer compensation

The Company, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Board. When determining individual compensation levels for the Company's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Company, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital as the Company seeks to complete its listing on the Exchange. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no director, executive officer or employee of the Company is or has been indebted to the Company at any time.

AUDIT COMMITTEE INFORMATION

The charter of the Company's Audit Committee is attached to this Prospectus as Appendix "A".

Composition of Audit Committee and Independence

The following are the members of the audit committee:

Kerry Biggs	Non-Independent[(1)]	Financially literate[(1)]
Lindsay Hamelin	Independent[(1)]	Financially literate[(1)]
Natasha Raey	Independent[(1)]	Financially literate[(1)]

Note:
(1) As defined under NI 52-110.

See "*Directors and Executive Officers*" for the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;

(b) the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer) of NI 52-110;

(c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;

(d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or

(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the audit fees incurred by the Company since incorporation to its most recently completed financial year, ended December 31, 2020 for audit fees are as follows:

Period	Audit Fees ($)	Audit Related Fees ($)	Tax Fees ($)	All Other Fees ($)
Period from incorporation on September 22, 2020 to December 31, 2020	Nil	Nil	Nil	Nil

Exemption

The Company is a venture issuer pursuant to Canadian securities legislation and is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Company's Board currently consists of five directors, of whom all except three are independent based upon the tests for independence set forth in NI 52-110. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Regulatory authorities have implemented NI 58-101, which prescribes certain disclosure of the Company's corporate governance practices.

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Company. The Board has overall responsibility for the management, or supervision of the management, of the business and affairs of the Company. The Board's primary tasks are to establish the policies, courses of action and goals of the Company and to monitor management's strategies and performance for realizing them.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Company's business are subject to approval by the full Board. The Board does not currently have in place programs for succession planning and training of directors and management. As the growth of the Company continues, the Board will consider implementing such programs. In order to carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Natasha Raey	KetamineOne Capital Limited	Aequitas Neo Exchange, OTC
Lindsay Hamelin	VPN Technologies Inc.	CSE

Orientation and Continuing Education

The skills and knowledge of the Board as a whole are such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

The Company provides continuing education to its directors as such need arises and encourages open discussion at all meetings in order to encourage learning by the directors.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates in the best interests of the Company. The Board has not adopted a formal written code of ethics. As the growth of the Company continues, the Board will consider implementing such policies.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

Compensation

The Board is responsible for, among other things, reviewing and shaping all compensation arrangements for the executive officers and directors of the Company.

To determine the recommended compensation payable, the Board will review compensation paid for directors and executive officers of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Company.

In setting the compensation, the Board will annually review the performance of the executive officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. For further information regarding how the Company determines compensation for its directors and executive officers, see "*Executive Compensation*".

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development. As the growth of the Company continues, the Board will review its corporate governance practices and implement more comprehensive corporate governance practices when appropriate. Apart from the Audit Committee, the Company does not currently have any other standing committees.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The contributions of individual directors are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

PLAN OF DISTRIBUTION

There are no securities being offered in connection with this Prospectus. The Company has applied to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

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

RISK FACTORS

The Company's business as an investment issuer is subject to a number of significant risk factors. The following are certain risk factors related to the Company, its business, and ownership of the Common Shares. If any event arising from the risk factors set forth below occurs, the Company's business, prospects, financial conditions, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Company believes that the risk factors described below are the most material risks that the Company faces, they are not the only ones. Additional risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial conditions and negatively affect the value of the Common Shares. An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those persons who can afford the total loss of their investment. Readers should carefully consider each of the risks and uncertainties described bellows, as well as all of the other information contained in this Prospectus, including the financial statement and accompanying notes, before investing in the Company.

Risks Related to the Business of the Company

The Company has a limited operating history and no history of earnings.

The Company has no history of earnings. There is no assurance that the Company will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Company's business development and investment activities. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its operations or cease operations entirely, in which case, the value of the Common Shares may decline very significantly.

The Company has negative cash flow from operations and it may never have positive cash flow from operations.

Since incorporation the Company has had negative cash flow from operating activities. The Company does not expect to have positive cash flow from operating activities for the foreseeable future, if ever, and to the extent that the Company has negative cash flow in any future period, it will need to raise additional funds to cover this short-fall.

The Company has just commenced its business as an investment issuer and has limited or no history of successful investments.

The Company has no record of operations and historical financial information on which a holder of Common Shares can base an evaluation of the Company. The Company commenced its operations as an investment issuer in 2020 and has only recently made its first investments. Therefore, the Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management. Furthermore, past successes of the management or the Board in other ventures do not guarantee future success.

Holders of Common Shares are at risk for a substantial loss of capital.

The investments to be made by the Company are speculative in nature and holders of Common Shares could experience a loss of all or substantially all of their investment in the Company. There can be no assurance that the Company will be able to make and realize investments or generate positive returns. There can also be no assurance that the returns generated, if any, will be commensurate with the risks of investing in the types of investments contemplated by the Company's investment objectives. Therefore, an investment in the Company should only be considered by persons who can afford a loss of their entire investment.

The Company will require additional capital, which may not be available to it when required on attractive terms, or at all.

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The only present source of funds available to the Company is through the sale of its securities. The Company's investments will in all likelihood not generate current income and the ultimate returns even from a successful investment are long term. The Company may not have sufficient funds to continue its operations until its investment returns are received. While the Company may generate additional working capital through further equity offerings, there is no assurance that the capital markets will be accessible to the Company when needed on advantageous terms or at all. At present it is impossible to determine what amounts of additional funds, if any, the Company may require.

The Company is largely dependent upon its board and management for its success.

The Company's business is akin to a blind pool, in that the Company intends to use its capital to invest in various businesses or business interests, but all the targets have not yet been determined. Investors are relying on the ability of the Investment Committee, Board and management to identify, analyze and acquire appropriate investment opportunities. In particular, investors have to rely on the discretion and ability of management in determining the composition of the portfolio of investments, and in negotiating the pricing and other terms of the agreements leading to the acquisition of investments. The ability of management to successfully implement the Company's business strategy will depend in large part on the continued employment of qualified individuals. If the Company loses the services of one or more of these individuals, the business, financial condition and results of operations of the Company may be materially adversely affected. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

The market for investment opportunities is highly competitive.

The Company will compete with a large number of other investors focused on similar investments, such as private equity funds, mezzanine funds, investment banks and other equity and non-equity based public and private investment funds. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Company. In addition, certain competitors of the Company may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. As a result of this competition, there can be no assurance that the Company will be able to locate suitable investment opportunities, acquire such investments on acceptable terms, or achieve an acceptable rate of return on the investments it does make. The competitive pressures faced by the Company may have a material adverse effect on its activities, financial condition, and results of operations.

Competition may curtail the Company's ability to follow its Investment Policy.

The competition the Company faces from other larger or more flexible capital providers may limit the Company's opportunities to obtain its desired investments. As a result, the Company may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Company is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Conflicts of interest may arise between the Company and its directors and management.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies, some of which are in similar business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Due diligence investigations may not identify all facts necessary or helpful in evaluating an investment opportunity and will not necessarily result in the investment being successful.

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances of each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. Because the Company seeks investments in new areas, the investments it considers may have limited track records which make assessments more difficult and speculative. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying extents depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful to evaluate the investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

The realization of returns from the Company's investment activities is a long-term proposition.

Most investments to be made by the Company are not expected to generate current income. Therefore, the return of capital to the Company and the realization of gains, if any, from the Company's investments will generally occur only upon the partial or complete realization or disposition of the investment. While an investment of the Company may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Company's investments will not occur for a one to three years and possibly longer after an investment is made.

The Company's investments may be illiquid and difficult to value, and the Company may not be able to exit the investment on its intended timetable.

The Company will generally seek investments that provide liquidity. However, the Company will be focused on investing in primarily privately held companies and early stage publicly traded companies, which may be illiquid and difficult to value. Accordingly, there can be no assurance that the Company will be able to realize on its investments in a timely manner or at all. If the Company is required to liquidate all or a portion of its portfolio investments quickly, it may realize significantly less than its invested capital. While privately held companies may seek to list their securities on a stock exchange as a means of creating liquidity for investors, there can be no assurance that a stock exchange listing will provide a viable exit mechanism, if trading volumes and stock prices are low at the time of intended disposition.

The Company may hold a limited number of investments at any one time and potentially suffer from a lack of diversification.

The Company may own relatively few investments and does not have any specific limits on investments in businesses in any one industry or size of business. Consequently, the Company's aggregate returns may be significantly adversely affected if one or more significant investments perform poorly or if the Company needs to write-down the value of any one significant investment. Also, the Company's investments may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular industry or segment of business in which it invests than would be the case if the Company were required to satisfy certain investment guidelines relating to business diversification.

Financial market fluctuations may have a material adverse effect on the Company's investments in both private and public companies.

The Company intends to invest in both private businesses and publicly traded businesses. With respect to publicly traded businesses, fluctuations in the market prices of their securities may negatively affect the value of those investments. In addition, general instability in the public securities markets may impede the ability of businesses to raise additional capital through selling new securities, thereby limiting the Company's investment options with regard to a particular portfolio investment.

Global capital markets have experienced extreme volatility and disruption in recent years as evidenced by the failure of major financial institutions, significant write-offs suffered by the financial services sector, the re-pricing of credit risk, the unavailability of credit or the downgrading and the possibility of default by sovereign issuers, forced exit or voluntary withdrawal of countries from a common currency and devaluation. Global capital markets could suddenly and rapidly destabilize in response to existing and future events, including as a result of COVID-19, as government authorities may have limited resources to respond to existing or future crises. Future crises may be precipitated by any number of causes, including natural disasters, epidemics/pandemics (such as COVID-19), geopolitical instability, changes to energy prices or sovereign defaults.

Despite actions of government authorities, these events have contributed to a worsening of general economic conditions, high levels of unemployment in Western economies and the introduction of austerity measures by governments. Such worsening of financial market and economic conditions may have a negative effect on the valuations of, and the ability of the Company to exit or partially divest from, investment positions.

Depending on market conditions, the Company may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of any investment in the Company.

Impact of the COVID-19 Pandemic

The Company is vulnerable to the general economic effects of epidemics/pandemics and other public health crises, such as COVID-19. Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Since December 31, 2019, the outbreak of COVID-19 has resulted in governments worldwide, including Canada and the United States, enacting emergency measures to combat the spread of the virus. Although vaccines have been developed, their rate of vaccine deployment has been slow in many regions of the world, including Canada. New coronavirus variants are continuing to spread and there is no guarantee that the vaccines will continue to be effective against new coronavirus variants, and geographic regions may continue to experience government-imposed lock-downs and public health emergencies. Recently, travel into Canada from countries with high-levels of COVID-19 variants has been restricted, and implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally. Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. Due to the COVID-19 variants, the duration and impact of the COVID-19 pandemic remain unknown at this time, as is the continued efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of the Company is suspended, scaled back or disrupted, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. To the extent that the Company's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Company's profitability, results of operations, financial condition and the trading price of the Company's securities. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial conditions and the trading price of the Company's securities.

Holding control or exercising significant influence over an investment exposes the Company to additional risk.

Although the Company may make minority investments, it generally intends at least initially, subject to compliance with applicable law, to make investments that allow the Company to exercise significant influence over management and the strategic direction of a business. The exercise of control over a business imposes additional risks of liability for environmental damage, product defects, failure to supervise management, and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over an investment could expose the assets of the Company to claims by such businesses, their shareholders and their creditors. While the Company intends to manage its investments in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

In its investment investigation activities, the Company may acquire material, non-public information that may limit its investment actions.

The Company may significantly participate in or influence the conduct, affairs or management of public companies in which it invests. Directors, officers, employees, designees, Associates or Affiliates of the Company may, from time to time, serve as directors of, or in a similar capacity with those investee public companies. Through such involvement Company representatives may acquire confidential or material non-public information about an investee public company. The Company will not be free to act upon any such information. In addition, these individuals may become subject to trading restrictions pursuant to the internal trading policies of such businesses. Due to these restrictions, the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Taking minority positions in investments may limit the ability of the Company to safeguard its investment.

The Company may make minority equity investments in businesses in which the Company does not participate in the management or otherwise control the business or affairs of such businesses. The Company will monitor the performance of each investment and maintain an ongoing dialogue with each business's management team. However, it will be primarily the responsibility of the management of the business to operate the business on a day-to-day basis and the Company may not have the right to control the business.

The Company may be called upon to make follow-on investments in an existing investment and the Company's failure to participate may have a negative adverse effect on the existing investment.

Following the initial investment in a business, the Company may be called upon to provide additional funds or have the opportunity to increase its investment in a business through the exercise of a warrant or other right to purchase securities or to fund additional investments through the business. There is no assurance that the Company will have sufficient funds to make any follow-on investment. Even if the Company has sufficient capital to make a proposed follow-on investment, the Company may elect not to make the follow-on investment for a variety of reasons relevant to its own business. Any decision by the Company not to make a follow-on investment or its inability to make a follow-on investment may have a negative impact on the portfolio business in need of the follow-on investment, may result in a missed opportunity for the Company to increase its participation in a successful operation, or may reduce the expected return on the investment.

The Company may make bridge financings from time to time, which if not converted as intended may expose the Company to unintended risk.

From time to time, the Company may lend money to businesses on a short-term, unsecured basis in anticipation of converting the loan in future into equity or long-term debt securities. It is possible, however, for reasons not always in the Company's control, that the replacement securities may not be issued and the bridge loans may remain outstanding. In such a case, the interest rate on the bridge loan may not adequately reflect the risk associated with the unsecured position taken by the Company and may not satisfy the Company's investment objective for the specific business.

Risks Related to Investments in Investee Companies and the Plant-Based Protein and Meat Alternative Industry

The Company has made and may continue to make investments in private businesses, including foreign private businesses, where information is unreliable or unavailable.

In pursuing the Company's investment strategy, the Company has made and will make in future investments in privately-held businesses. As minimal public information exists about private businesses, the Company could be required to make investment decisions on whether to pursue a potential investment in a private business on the basis of limited information, which may result in an investment in a business that is not as profitable as the Company initially suspected, if it is profitable at all. This risk is compounded when the investment is in a foreign country where, among other differences, legal systems and tax regimes are different and accounting standards may be different and difficult to analyze.

Investments in private businesses pose certain incremental risks as compared to investments in public businesses, including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under their debt securities that the Company may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Company realizing any guarantees that it may have obtained in connection with its investment;
- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a portfolio investment and, as a result, the Company; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

Reliance on Key Personnel

Investee companies may strongly depend on the business and technical expertise of their management teams. An investee company's success may depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on their business and prospects, as we may not be able to find suitable individuals to replace them on a timely basis.

The Company must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of its investee companies. Certain investee companies may not acquire any key-person insurance policies and there is, therefore, a risk that the departure of any member of management, board member, or any key employee or consultant, could have a material adverse effect on an investee company's future.

The Company's investee companies will be dependent on intellectual property rights and susceptible to challenges to those rights as well as claims of infringement of third parties' rights, which could have a material adverse effect on the value of the Company's investment.

Companies involved in the development and operation of plant-based protein and meat alternatives, among others, are dependent on intellectual property rights, recipes, know-how and branding; the loss or impairment of which could harm such a company's business, results of operations, and its financial condition. Such a company's patents and other intellectual property may not prevent competitors from independently developing products and services similar to or duplicative of the company's, nor can there be any assurance that the resources invested by a company to protect its intellectual property, recipes or know how will be sufficient, or that the company's intellectual property portfolio will adequately deter misappropriation or improper use of the company's technology.

There can be no assurance that any company's products will not violate proprietary rights of third parties and a company may be the target of aggressive and opportunistic enforcement of patents and trademark rights by third parties, including non-practicing entities. An investee company's ability to protect its intellectual property could also be affected by changes to existing laws, legal principles, and regulations governing intellectual property, including the ownership and protection of patents.

If any of the foregoing risks were to materialize for an investee company of the Company, the claims and disputes could result in liability for substantial damages, which in turn could harm the underlying business, results of operations and financial condition of the investee company and materially and adversely affect the value of the Company's investment.

Competition

The food industry, and especially the functional food, foodtech, plant-based protein and meat alternative industry, is intensely competitive and companies in this sector face competition from numerous brands that produce plant-based protein products including small and large independent companies as well as large-scale manufacturers of animal-based protein that have integrated plant-based meat alternatives within their product offerings. Many of these competitors have substantial financial backing and established brand reputation. Competition is based on product availability, product quality, price, effective promotions, and the ability to target changing consumer preferences. Failure to compete against other similar companies and products could harm the results of operations and financial condition of the investee company and materially and adversely affect the value of the Company's investment.

Government Regulation

Various aspects of the Company's investments and the activities of investee companies are subject to laws of the jurisdictions in which they operate. Investment values and activities may be affected to varying degrees by government regulations with respect to, but not limited to, restrictions on price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits and/or licences, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation and increased financing costs, safety. This may affect the ability of the Company's investee companies to implement their business models. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail an investee company's business model.

Amendments to existing laws and regulations in force when and on which a decision to invest was made could have a material adverse effect on the value of the Company's investment in a particular investment.

The Company's investee companies may be required to obtain prior governmental and/or regulatory approval to sell their products.

The Company's investee companies may be required to obtain governmental and/or regulatory approval prior to selling their products in jurisdictions in which they operate.

Labelling

A number of plant-based meat and dairy alternative companies have been the subject of CFIA investigations relating to the use of words such as dairy and meat in connection with plant-based products. In certain instances the matter was resolved through the use of a hyphenated modifier such as "plant-based" or "dairy-free" but in others, revisions to the labeling of products was required in order to distinguish the products at issue from the conventional understanding of meat and cheese products. While certain investee companies may employ the use of clear modifiers to distinguish their products from the conventional understanding of meat products, they may also market certain products under names commonly associated with animal-based meat products and may commonly employ the word "meat" as a general descriptor in relation to their plant-based product portfolio. The Company does not expect to have sufficient resources to review and manage its investee companies' ongoing compliance with applicable law, including labeling requirements, and will be solely reliant on the management of its investee companies to monitor such activities. Although the Company has no reason to expect the product labels and marketing materials of its investee companies to be misleading or deceptive, there is a risk that the CFIA will take up enforcement action against an investee company, which could ultimately have a material adverse effect on the value of Company's investment in a particular investment.

Price of Raw Materials

Costs of the ingredients and packaging for food products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand, changes in governmental trade and agricultural programs, epidemics/pandemics and other public health crises, such as COVID-19. Volatility in the prices of raw materials and other supplies food companies purchase could increase such company's cost of sales and reduce its profitability. Moreover, companies may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If an investee company is not successful in managing its ingredient and packaging costs, and unable to increase its prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect its business, results of operations and financial condition and materially and adversely affect the value of the Company's investment.

Consumer Trends

Certain of the Company's investments will be focused on the development, manufacture, marketing and distribution of branded plant-based products as alternatives to meat-based protein products. Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for an investee company's products decreases, its business and financial condition would suffer, thereby adversely affecting the value of the Company's investment. In addition, sales of plant-based protein or meat-alternative products are subject to evolving consumer preferences that investee companies may not be able to accurately predict or respond to. Consumer trends could change based on a number of possible factors, including economic factors and social trends. A significant shift in consumer demand away from the products of an investee company could reduce its sales, which would harm its business and financial condition and could materially and adversely affect the value of the Company's investment.

Supply Chain Management

Insufficient or delayed supply of products threatens an investee company's ability to meet customer demands while over capacity threatens its ability to generate profit. Specifically, the impact of COVID-19 may adversely impact such investee company's access to products. Some of these products may be available from only a single supplier or a limited group of suppliers. Accordingly, any failure by an investee company to properly manage its supply chain could have a material adverse effect on its business, financial condition and results of its operations.

Limited or Disrupted Supply of Key Ingredients

A number of the ingredients in investee company products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality, which in turn could reduce the available supply of, or increase the price of quality ingredients. Moreover, certain investee companies may use organic ingredients, which are more limited in supply than conventional product ingredients. Investee companies also compete with other food producers in the procurement of ingredients, and as consumer demand for functional foods and plant-based protein products increases, this competition may increase. If supplies of quality ingredients are reduced or there is greater demand for such ingredients, investee companies may not be able to obtain sufficient supply on favorable terms, or at all, which could impact their ability to supply products to distributors and retailers and may adversely affect their respective businesses, results of operations and financial condition, which would have a material adverse effect on the Company's investments.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative effect on agricultural productivity, investee companies may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for their products, such as legumes.

Food Safety and Consumer Health

Investee companies are subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Company will make commercially reasonable efforts to invest in companies that manage these risks by maintaining strict and rigorous controls and processes in their manufacturing processes and distribution systems. However, there is no assurance that such systems will eliminate the risks related to food safety. Investee companies could be required to recall certain or a large portion of their products in the event of contamination or adverse test results or as a precautionary measure. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. A product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new customers as a result of an adverse impact on an investee company's reputation. In addition, once purchased by consumers, an investee company has no further control over its products and consumers may prepare its products in a manner that is inconsistent with its directions which may adversely affect the quality and safety of its products. Any product contamination could subject an investee company to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on the Company's investment.

Brand Value

The success of a company in the food industry depends on its ability to maintain and grow the value of its brand. Maintaining, promoting and positioning its brand and reputation will depend on, among other factors, the success of a company's product offerings, food safety, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality customer experience. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers or suppliers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of an investee company's brand and adversely affect its business, results of operations and financial condition, which would have a material adverse effect on the Company's investments.

Internet Search Algorithms

In order to attract new customers and retain existing customers, it is important that the investee company brands show up prominently in internet search results. Changes to internet search engines' algorithms or terms of service could cause investee company websites to appear less prominently in search results.

Reputation Risk

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us or incidents involving competitors, could cause negative publicity and reduced confidence in investee companies and their products, which could cause harm to their brands, reputations and sales, and could materially adversely affect their businesses, financial conditions and results of operations. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about an investee company, its brand or products on social or digital media could seriously damage its reputation. Without a favorable perception of an investee company's brand and products, its sales and profits could be negatively impacted, which would have a material adverse effect on the Company's investment.

Risks Associated with Leasing Commercial and Retail Space

Investee companies that lease their production, restaurant and retail locations are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property and changes in availability of and contractual terms for leasable commercial and retail space. Changes that result in reductions in customer foot traffic or otherwise render the location unsuitable could cause an investee company's revenue to be less than expected, which could have a material adverse effect on the Company's investment.

Effect of Product Innovation

An investee company's growth in part depends on its ability to develop and market new products and improvements to its existing products that appeal to consumer preferences. The success of an investee company's innovation and product development efforts is affected by its ability to anticipate changes in consumer preferences, the technical capability of its research and development team in developing and testing product prototypes, including complying with applicable governmental regulations, the success of its management and sales and marketing team in introducing and marketing new products and positive acceptance by consumers. Failure to develop, successfully market and sell new products may inhibit an investee company's growth, sales and profitability, which may have a material adverse effect on the Company's investment.

Failure to retain current customers and/or recruit new customers

The success of an investee company, and its ability to increase revenue and operate profitably, depends in part on its ability to acquire new customers and retain existing customers, so that they continue to purchase the investee company's products. An investee company may fail to acquire or retain customers across its distribution channels due to negative value and quality perceptions, a lack of new and relevant products or failure to deliver customers' orders in a timely manner.

Litigation Risk

Investee companies may become party to litigation from time to time in the ordinary course of business, which could adversely affect their business, thereby materially impacting the value of the Company's investment. Should any litigation in which an investee company becomes involved be determined against it, such a decision could adversely affect its ability to continue operating and the market price for the Company's investment. Litigation involving an investee company may also open the Company to litigation exposure.

Risks Relating to the Common Shares

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables, which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up, escrow or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

No Established Market

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Company's securities. An active public market for the Common Shares might not develop or be sustained following the filing of this Prospectus. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the shareholder's initial investment.

It may be difficult, if not impossible, for U.S. holders of the Company's Common Shares to resell them over the CSE or other stock exchange.

It has recently come to management's attention that all major securities clearing firms in the United States have ceased U.S. residents who acquire Common Shares as "restricted securities" (including any Common Shares pursuant to the exercise of convertible securities) may find it difficult – if not impossible – to resell such shares over the facilities of any Canadian stock exchange on which the shares may then be listed. It remains unclear what impact, if any, this and any future actions among market participants in the United States will have on the ability of U.S. residents to resell any Common Shares that they may acquire in open market transactions. Our understanding is that all U.S. brokers must use a clearing service to facilitate resale transactions over Canadian securities exchanges. Some U.S. brokers have self-clearing capabilities; those that do not must use third party clearing firms. This issue does not apply to the Depositary Trust Company.

Dividends

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

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

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

The requirements of being a public company may strain the Company's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members

As a reporting issuer, the Company will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Company's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws would require the Company to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require the Company to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. Specifically, due to the increasing complexity of its transactions, it is anticipated that the Company will improve its disclosure controls and procedures and internal control over financial reporting primarily through the continued development and implementation of formal policies, improved processes and documentation procedures, as well as the continued sourcing of additional finance resources. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. To comply with these requirements, the Company may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Company intends to continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue generating activities to compliance activities. If its efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Company and the Company's business may be adversely affected.

As a public company subject to these rules and regulations, the Company may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified members of its board of directors, particularly to serve on its audit committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, the Company's business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, the Company's business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in its favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Company's management and harm its business, financial condition, and operating results.

Dilution

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

Transactions Engaged in by our Largest Shareholders, our Directors or Officers

As at the date of this Prospectus, the directors and officers of the Company as a group own beneficially, directly or indirectly or exercise control or discretion over an aggregate of 12,688,937 Common Shares, or approximately 17.59% of the Common Shares issued and outstanding, and an aggregate of 2,867,500 Special Warrants, or approximately 9.83% of the Special Warrants issued and outstanding. Upon Listing and the conversion of the Special Warrants, the directors and officers of the Company as a group will beneficially, directly or indirectly or exercise control or discretion over an aggregate of 15,556,437 Common Shares, or approximately 15.61% of the Common Shares issued and outstanding upon Listing.

Subsequent sales of our Common Shares by these shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The Company encourages each security holder to consult with its own tax or professional advisor to under the tax considerations generally applicable with purchasing or owning Common Shares.

PROMOTERS

Kris Dahl and Kerry Biggs may be considered to be Promoters of the Company for the purposes of applicable securities laws, as they both took has took the initiative in organizing and financing the Company. Mr. Dahl owns 2,131,600 Common Shares and 750,000 0.02 Special Warrants and Mr. Biggs owns 2,000,000 Common Shares. Other than as disclosed elsewhere in this Prospectus, no person who was a promoter of the Company within the last two years:

- received anything of value directly or indirectly from the Company or a subsidiary;
- sold or otherwise transferred any asset to the Company or a subsidiary within the last two years;
- has been a director, chief executive officer or chief financial officer of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or 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 or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- has within the past 10 years become 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 or receiver manager or trustee appointed to hold its assets.

See "*Directors and Executive Officers*" and "*Executive Compensation*" for further disclosure.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

The Company is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no person who is: (a) a director or executive officer of the Company; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Company's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company.

Tony Harris, a director and the CEO of the Company, was a director and shareholder of FunGuys, a company which was purchased by the Company on February 28, 2021. In connection with the FunGuys Acquisition, Mr. Harris received 6,525,200 Common Shares and 3,262,600 Consideration Warrants in consideration for the sale of his holdings in FunGuys to the Company.

AUDITOR, TRANSFER AGENT AND REGISTRARS

The auditors of the Company are Smythe LLP. They have advised the Company that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The transfer agent of the Company is Endeavor Trust Corporation.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation, which are currently in effect and considered to be currently material:

(a) the Development Agreement;

(b) the SK Credit Facility; and

(c) the Investor Rights Agreement.

EXPERTS

Smythe LLP, have audited the Company's financial statements, except for the three-month period ended March 31, 2021, and FunGuys's financial statements.

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

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

OTHER MATERIAL FACTS

The Company has offered a total of 179 subscribers (the "**Friends and Family Subscribers**") who subscribed through various financings of the Company using the exemption under Section 2.5 (Family, friends and business associates) of National Instrument 45-106 – *Prospectus Exemptions* ("**Friends and Family Exemption**") with a right to rescind their subscriptions (the "**Rescission Right**"). The Company has granted the Rescission Right as the BCSC, after reviewing the use of the use of the Friends and Family Exemption used for various financings, took that position that the Company was unable to rely on such exemption for a significant number of the Friends and Family Subscribers. The Company has agreed to take steps to ensure that each of the Friends and Family Subscribers receives a notice of their Rescission Right and a copy of this Prospectus.

An aggregate of 12,039,733 securities were issued by the Company to the Friends and Family Subscribers, for gross proceeds of $636,683, across the private placements completed on December 4, 2020, February 26, 2021, April 26, 2021, and May 18, 2021. The Rescission Right is exercisable for a period of 10 (ten) business days from the date of receipt of this Prospectus or any amendment thereto. If a Friend and Family Subscriber exercises its Rescission Right, it will receive a refund equal to the amount that it paid for its securities and such securities will be returned to treasury and cancelled. Friends and Family Subscribers are encouraged to review the notice of their Rescission Right and a copy of this Prospectus with a legal advisor and to submit a response to the Company within the timeline requested therein.

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Company.

FINANCIAL STATEMENT DISCLOSURE

All financial information herein has been presented in Canadian dollars in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee ("**IFRS**").

The financial statements of the Company and FunGuys have been prepared in accordance with IFRS and are included in this Prospectus (please see "*Appendix B – Billy Goat Brands Ltd.* **-** *Financial Statements; Appendix C – Billy Goat Brands Ltd. – Management's Discussion and Analysis; Appendix D – FunGuys Beverages Inc.* **-** *Financial Statements;and Appendix E – FunGuys Beverages Inc.* **-** *Management's Discussion and Analysis.*

APPENDIX "A"

BILLY GOAT BRANDS LTD. – AUDIT COMMITTEE CHARTER

(ATTACHED)

AUDIT COMMITTEE CHARTER

(*Approved by the Board of Directors on April 23, 2021)*

Billy Goat Brands Ltd.

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of Billy Goat Brands Ltd. (**"Billy Goat"** or the **"Company"**) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

(a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**) and interpretations by the International Financial Reporting Interpretations Committee (**"IFRIC"**), and fairly present the financial position and risks of the Company;

(b) assessing the independence, qualifications and performance of the Company's independent auditor (the **"Auditor"**), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;

(c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;

(d) financial matters and management of financial risks;

(e) the prevention and detection of fraudulent activities; and

(f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers (**"Senior Management"**) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

(a) satisfy the laws governing the Company;

(b) be "financially literate" in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix "A" of this charter.

The majority of Committee members shall be "independent" in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees ("NI 52-110"), which sections are reproduced in Appendix

"A" of this charter, and the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the **"Committee Chair"**) shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company's shareholders. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

(a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis (**"MD&A"**); and

(b) within 120 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the **"Committee Secretary"**) and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 <u>Financial Reporting Process</u>

(a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.

(b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:

  (i) accounting policies and practices used by the Company;

  (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and

  (iii) any other material written communications between the Auditor and Senior Management.

(c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.

(d) Discuss with Senior Management and the Auditor:

  (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;

  (ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("**GAAP**") or applicable law;

(iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and

(iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.

(e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.

(f) Review with Senior Management and the Auditor:

(i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and

(ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.

(g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.

(h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

(i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

(j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.

(k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.

(l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.

(m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**"NI 52-109"**), obtain confirmation from the Chief Executive Officer (**"CEO"**) and the Chief Financial Officer (**"CFO"**) (and considering the Auditor's comments, if any, thereon) to their knowledge:

(i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and

(ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.

(n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 <u>Internal Controls</u>

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor's comments on the Company's internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

(i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and

(ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

(i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

(ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and

(iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to $50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 <u>Compliance</u>

(a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.

(b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.

(c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and

(ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.

(d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.

(e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.

(f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.

(g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

(a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:

- (i) capital structure and funding including finance and cash flow planning;
- (ii) capital management planning and initiatives;
- (iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;
- (iv) the Company's annual budget;
- (v) the Company's insurance program;
- (vi) directors' and officers' liability insurance and indemnity agreements; and
- (vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

(a) Perform such other duties as may be assigned to the Committee by the Board.

(b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

(c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

a. select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and

b. obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

APPENDIX "B"

BILLY GOAT BRANDS LTD. – FINANCIAL STATEMENTS

(ATTACHED)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)

Condensed Interim Financial Statements

For the three months ended March 31, 2021

(Expressed in Canadian Dollars)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollars)

		March 31, 2021		December 31, 2020 (Audited)
ASSETS				
Current				
Cash	$	4,513,258	$	409,966
Loan receivable (Note 5)		100,000		-
Investments (Note 4 and 5)		2,218,786		-
TOTAL ASSETS	$	**6,832,044**	$	409,966
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 7)	$	77,439	$	33,483
TOTAL LIABILITIES		77,439		33,483
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		5,193,989		20,000
Reserves (Note 6)		1,762,621		393,500
Subscription received in advance (Notes 6 and 9)		2,347,091		-
Deficit		(2,549,096)		(37,017)
TOTAL SHAREHOLDERS' EQUITY		**6,754,605**		376,483
TOTAL LIABILITIES AND SHAREHOODERS' EQUITY	$	**6,832,044**	$	409,966

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board on xx, 2021.

"Kris Dahl" , Director "Kerry Biggs" , Director

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months ended March 31, 2021	Period from incorporation on September 22, 2020 to December 31, 2020
Operating Expenses		
Advertising and promotions	$ 10,886	$ -
Management fees (Note 7)	30,000	33,483
Office and miscellaneous	391	236
Professional fees	161,192	3,298
Share based compensation (Note 6)	1,265,852	-
Fair value loss change in investments (Note 4)	1,043,758	-
Net Loss and Comprehensive Loss for the Period	**$ (2,512,079)**	**$ (37,017)**
Net Loss per Share, Basic and Diluted	**$ (0.12)**	**$ (0.01)**
Weighted Average Number of Shares Outstanding	**21,299,820**	**3,120,002**

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital	Amount	Subscription (receivable) Received in advance	Reserves	Deficit	Total
Incorporation on September 22, 2020	**2**	**$ -**	**-**	**$ -**	**$ -**	**$ -**
Shares issued for cash (Note 6)	4,000,000	20,000	-	-	-	20,000
Special warrants issued (Note 6)	-	-	-	393,500	-	393,500
Net and comprehensive loss for the period	-	-	-	-	(37,017)	(37,017)
Balance, December 31, 2020	**4,000,002**	**$ 20,000**	**-**	**$ 393,500**	**$ (37,017)**	**$ 376,483**
Shares issued for private placement, net (Note 6)	26,190,000	2,974,429	-	9,071	-	2,983,500
Shares issued for investment (Note 6)	21,995,600	2,199,560	-	94,198	-	2,293,758
Subscription received	-	-	2,347,091	-	-	2,347,091
Share based compensation	-	-	-	1,265,852	-	1,265,852
Net and comprehensive loss for the period	-	-	-	-	(2,512,079)	(1,468,321)
Balance, March 31, 2021	**52,185,600**	**$ 5,193,989**	**$ 2,347,091**	**$ 1,762,621**	**$ (2,549,096)**	**$ 6,754,605**

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)

		March 31, 2021		Period from incorporation on September 22, 2020 to December 31, 2020 (Audited)
CASH FLOWS USED IN OPERATING ACTIVITIES				
Loss for the period	$	(2,512,079)	$	(37,017)
Items not affecting cash:				
Share based compensation		1,265,852		-
Impairment of investments		1,043,758		-
Changes in non-cash working capital:				
Accounts payable and accrued liabilities		43,956		33,483
		(158,513)		(3,534)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares		2,983,500		20,000
Share subscriptions received in advance		2,347,091		-
Proceeds from issuance of special warrants		-		393,500
		5,330,591		413,500
CASH FLOWS USED IN INVESTING ACTIVITIES				
Loans receivable		(100,000)		-
Investment in Sophie's Kitchen		(618,786)		-
Investment in Vegetarian Butcher		(350,000)		-
		(1,068,786)		-
NET CHANGE IN CASH		4,103,292		409,966
CASH – beginning of period		409,966		-
CASH – end of period	$	4,513,258	$	409,966

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Going Concern

Billy Goat Brands Ltd. (formerly 1266663 B.C. Ltd) (the **"**Company" or "Billy") is an investment holding firm focused on investments and acquisition of assets in the functional foods, plant-based proteins and health and wellness space. The Company was formed on September 22, 2020 under the Business Corporations Act in Province of British Columbia, Canada. On January 5, 2021, the Company changed its name from 1266663 B.C. Ltd. to Billy Goat Brands Ltd.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At March 31, 2021, the Company had not achieved profitable operations, had an accumulated deficit of $2,549,096 (December 31, 2020 - $37,017) and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations.

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

2. Basis of Presentation

a) Statement of Compliance and Presentation

These interim financial statements have been prepared by management in accordance with International Financial Reporting Standard ("IFRS"), as set out in the CPA Canada Handbook – Accounting ("CPA Handbook") as issued by the International Accounting Standards Board ("IASB"). The policies set out below have been consistently applied to all periods presented unless otherwise noted.

These interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and therefore, these interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Functional and Presentation Currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

2. Basis of Presentation (continued)

c) Significant Accounting Judgment and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Estimates and assumptions are pervasive throughout the financial statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods impacted.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. Going Concern

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

ii. Investment entity

Management has applied judgement in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

iii. Investments

Where the fair values of investments in private companies recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value.

iv. Loans receivable

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2020 other than stated below.

3. Significant Accounting Policies (continued)

Functional Currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars;

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

4. Investments

At March 31, 2021, the Company held the following investments:

Investee	Number of Shares	Cost	Fair Value
Private Companies			
Vegetarian Butcher Inc.	**1,842,105**	350,000	350,000
Funguys Beverage Inc.	**100**	2,293,758	1,250,000
Sophie's Kitchen		618,786	618,786
		3,262,544	**2,218,786**

Funguys Beverage Inc.

On February 8, 2021, the Company acquired all of the issued and outstanding common shares of Funguys Beverage Inc. ("Funguys") for 21,995,600 common shares of the Company at a price of $0.10 per share and 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date. The acquisition constitutes a related party transaction (see note 7). The consideration for acquiring all of the issued and outstanding common shares of Funguys consists of the issuance of the Company's commons shares with a cost base of $2,199,560 and a value of the warrants of $94,198 for a total cost base of $2,293,758. The fair value of the warrants was estimated to be $94,198 using the Black-Scholes option pricing model with the following assumptions: term - 2 years; expected volatility - 100%; risk-free rate - 0.18%; and expected dividends – zero. Funguys' principal business is the development of mushroom infused cold coffee drinks. At period end an independent third-party valuation was performed and deemed the fair value of the entire holdings of Funguys to be $1,250,000, with a resulting impairment on investments of $1,043,758.

Vegetarian Butcher Inc.

On February 10, 2021, the Company acquired 1,842,105 common shares of The Vegetarian Butcher Inc. ("Vegetarian"), for a 12.4% ownership of Vegetarian, at $0.19 per share for a total of $350,000.

At December 31, 2020, the Company held $Nil investments.

Sophie's Kitchen

On February 8, 2021, the Company entered into a loan agreement where the Company agreed to loan CAD$614,673 (US$500,000) at the rate of 6% interest per annum with a maturity date of June 30, 2022 to Sophie's Kitchen. The loan will be used for general working capital purposes in connection with the development and expansion of the existing operations of Sophie.

4. Investments (continued)

Sophie's Kitchen (continued)

On March 15, 2021, the Company entered into a credit facility agreement with Sophie's Kitchen to establish a credit facility in the principal amount of USD$3,000,000 (the "**SF Credit Facility**") at the rate of 6% interests per annum with a maturity date 12 months after closing. The SF Credit Facility permits short term loans for general working capital purposes of Sophie's Kitchen. The maximum monthly draw from the SF Credit Facility is USD$500,000.

These loan proceeds can be converted to Sophie's Kitchen common equity at any time prior to the maturity date at the option of the Company at a pre-determined valuation. In any event, the loan has a mandatory conversion provision into Sophie's common equity at the maturity date. The prior loan on February 8, 2021 was converted into the SF Credit Facility as the first drawdown.

The Company will receive share purchase warrants entitling the Company to acquire additional common shares of Sophie with a value of USD$1,500,000 based on a twenty percent discount from the post-subscription valuation of Sophie immediately prior to a public listing of Sophie. The Company also has a share subscription option at a predetermined valuation, to acquire additional common shares of Sophie with a value of USD$2,400,000, less the accrued interest. In aggregate, the Company has the right to acquire up to a 33% equity stake in Sophie's Kitchen.

As at March 31, 2021, CAD$618,786 loan was outstanding which includes interest accrual of CAD$4,112. This has been classified as an investment.

5. Loan Receivable

On February 11, 2021, the Company loaned Funguys $100,000 for working capital purposes. The loan accrues zero-interest and is repayable on demand.

6. Share Capital

Authorized
Unlimited common shares without par value.

Share Capital
During the period ended March 31, 2021, the Company had the following transactions that resulted in the issuance of its common shares:

On January 28, 2021, the Company issued 3,750,000 common shares at $0.10 per share for proceeds of $375,000 pursuant to the first tranche of a non-brokered private placement.

On February 8, 2021, the Company entered into a share purchase agreement with Funguys Beverage Inc. ("Funguys"). The Company acquired all of the issued and outstanding common shares of Funguys for 21,995,600 common shares of the Company at a price of $0.10 per share and 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date. Funguys' principal business is the development of mushroom infused cold coffee drinks.

On February 26, 2021, the Company issued 19,840,000 common shares at $0.10 per share for proceeds of $1,984,000 pursuant to the second tranche of the January 28, 2021 non-brokered private placement.

On March 29, 2021, the Company completed a private placement of 2,600,000 units at $0.25 per unit for gross proceeds of $650,000, with each unit comprising of one common share and one-half-of-one common share purchase warrant. Each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.50 per share purchase warrant share for a period of twenty-four months from the date of issue. 102,000 finder's warrants with the same terms were issued and $25,500 cash was paid in connection to the private placement.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

During the period ended December 31, 2020, the Company had the following transactions that resulted in the issuance of its common shares:

On incorporation, the Company issued 2 incorporation shares at $0.005 per share.

On October 9, 2020, the Company issued 4,000,000 common shares for gross proceeds of $20,000 pursuant to a non-brokered private placement.

Stock options – Directors, Officers, Employees and Consultants
The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company currently has not finalized nor executed its stock option plan, but will be preparing a more formal structure and plan shortly.

The continuity for stock options granted to directors, officers, employees and consultants of the Company for the period ended March 31, 2021 is as follows:

Grant Date	Expiry date	Number of options	Exercise price
February 19, 2021	February 19, 2022	5,000,000	0.02
February 23, 2021	December 31, 2021	500,000	0.02
Balance at March 31, 2021		**5,500,000**	**0.02**

	Number of options	Weighted average exercise price
		$
Balance at December 31, 2020	**-**	-
Options granted	5,500,000	0.02
Balance at March 31, 2021	**5,500,000**	**0.02**

On February 19, 2021, the Company granted 5,000,000 stock options to an arms-length consultant for business development and advisory services which is 100% vested immediately with an exercise price of $0.02 per share expiring on February 19, 2022. The fair value of the stock options was estimated to be $1,150,805 using the Black-Scholes option pricing model with the following assumptions: term - 1 years; expected volatility - 100%; risk-free rate - 0.22%; and expected dividends - zero.

On February 23, 2021, the Company granted 500,000 stock options to an arms-length consultant for business development and advisory services which is 100% vested immediately with an exercise price of $0.02 per share expiring on December 31, 2021. The fair value of the stock options was estimated to be $115,047 using the Black-Scholes option pricing model with the following assumptions: term – 0.85 years; expected volatility - 100%; risk-free rate - 0.22%; and expected dividends - zero.

Special Warrants
On December 4, 2020, the Company issued 19,675,000 special warrants ("Special Warrants") of the Company at a price of $0.02 per Special Warrant for gross proceeds of $393,500. Each Special Warrant is convertible into units for no additional consideration with each unit consisting of one common share of the Company and one common share purchase warrant with each warrant entitling the holder thereof to purchase one additional share of the Company at a price of $0.10 per share for a period of twenty-four months from the date of issuance of the warrants. The Company recorded $393,500 in reserves for the issuance of these Special Warrants.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

The continuity for special warrants for the period ended March 31, 2021 is as follows:

	Number of warrants	Weighted average exercise price
		$
Balance at December 31, 2020	19,675,000	0.10
Special warrants issued	-	-
Balance at March 31, 2021	**19,675,000**	**0.10**

Finders' Warrants

The continuity for finders 'warrants for the period ended March 31, 2021 is as follows:

	Number of warrants	Weighted average exercise price
		$
Balance at December 31, 2020	-	-
Finders' warrants issued	102,000	0.50
Balance at March 31, 2021	**102,000**	**0.50**

On March 29, 2021, the Company issued 102,000 finder's warrants with an exercise price of $0.50 per share expiring on March 29, 2023 to various parties in connection with the completed private placement. The fair value of the finder's warrants was estimated to be $9,071 using the Black-Scholes option pricing model with the following assumptions: term - 2 years; expected volatility - 100%; risk-free rate - 0.23%; and expected dividends - zero.

Warrants

The continuity for warrants for the period ended March 31, 2021 is as follows:

	Number of warrants	Weighted average exercise price
		$
Balance at December 31, 2020	-	-
Warrants issued	12,297,800	0.27
Balance at March 31, 2021	**12,297,800**	**0.27**

On February 8, 2021, the Company issued 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date pursuant to the Funguys Beverage Inc. share purchase agreement. The fair value of the warrants was estimated to be $94,198 using the Black-Scholes option pricing model with the following assumptions: term - 2 years; expected volatility - 100%; risk-free rate - 0.18%; and expected dividends – zero.

On March 29, 2021, the Company issued 1,300,000 warrants with an exercise price of $0.50 per share expiring on March 29, 2023 pursuant to the completed private placement.

(Expressed in Canadian Dollars)

7. Related Party Disclosures

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties at normal market prices and on normal commercial terms.

	March 31, 2021	Period from incorporation on September 22, 2020 to December 31, 2020
	$	**$**
Management fees paid/accrued to a company controlled by a director of the Company	63,483	33,483
	63,483	**33,483**

During the period end, the Company closed the acquisition of *Funguys Beverage Inc. The Company's CEO was common management of Funguys and a shareholder of Funguys prior to the closing of the transaction.*

8. Financial Instruments and Risk Management

a) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash balances to meet liabilities when due and equity financing. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

   As at March 31, 2021, the Company had a cash balance of $4,513,258 to settle current liabilities of $77,439, which are due within 12 months.

b) Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. Cash is held with major financial institutions in Canada and, accordingly, credit risk is nominal.

c) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk consists of two components:

   a. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

   b. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

   Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk due to their short-term nature and maturity. The loan receivable is not exposed to interest rate risk as the rate is fixed.

d) The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

   Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments classified as level 1 – Unadjusted quoted prices in active markets include cash.

9. Subsequent Events

On April 26, 2021, the Company issued 9,848,733 Units at $0.25 per share for proceeds of $2,462,183 pursuant to the non-brokered private placement. Each Unit is comprised of one common share (a "Common Share") and one-half of one transferable common share purchase warrant (each whole warrant being a "Warrant"), each Warrant entitles the holder to acquire one additional Common Share of the Company at a price of $0.50 for a period of two years from the date of issuance. The Company received an aggregate amount of $2,347,091 pursuant to the private placement

On May 7, 2021, the Company granted 5,350,000 stock options with an exercise price of $0.25 per share and 275,000 stock options with an exercise price of $0.50 expiring on May 7, 2026. One third of the stock options vest on the grant, one third vesting six months after the date of grant and the remaining one third to vest twelve months after the date of grant.

On May 18, 2021, the Company issued 9,505,000 special warrants of the Company at a price of $0.50 per special warrant for gross proceeds of $4,752,500. On the Automatic Exercise Date, each $0.50 Special Warrant shall be automatically exercised for one unit of the Company without payment of any additional consideration and without further action on the part of the holder. Each unit related to the $0.50 Offering will consist of one Common Share and one half of one (1/2) $1.00 Warrant entitling the holder thereof to purchase one additional Warrant Share at a price of $1.00 per Warrant Share until May 18, 2023.

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)

Financial Statements

For the period from incorporation on September 22, 2020

to December 31, 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BILLY GOAT BRANDS LTD. (FORMERLY 1266663 B.C. LTD)

Opinion

We have audited the financial statements of Billy Goat Brands Ltd. (the "Company"), which comprise:

- the statement of financial position as at December 31, 2020;
- the statement of loss and comprehensive loss for the period from incorporation on September 22, 2020 to December 31, 2020;
- the statement of changes in equity for the period from incorporation on September 22, 2020 to December 31, 2020;
- the statement of cash flows for the period from incorporation on September 22, 2020 to December 31, 2020; and
- the 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 December 31, 2020, and its financial performance and its cash flows for the for the period from incorporation on September 22, 2020 to December 31, 2020, in accordance with International Financial Reporting Standards ("IFRS").

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 *Auditors' 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 has an accumulated deficit of $37,017 as at December 31, 2020. As stated in Note 1, this condition along with other matters 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 information included in the Management Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Discussion & Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. 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 IFRS, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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 auditors' report is Sukhjit Gill.

Chartered Professional Accountants

Vancouver, British Columbia
XX, 2021

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Statement of Financial Position
As at December 31, 2020
(Expressed in Canadian Dollars)

		December 31, 2020
ASSETS		
Current		
Cash	$	409,966
TOTAL ASSETS	$	**409,966**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	$	33,483
TOTAL LIABILITIES	$	33,483
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	$	20,000
Reserves (Note 4)		393,500
Deficit		(37,017)
TOTAL SHAREHOLDERS' EQUITY		376,483
TOTAL LIABILITIES AND SHAREHOODERS' EQUITY	$	**409,966**

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board on XX, 2021.

"Kris Dahl" , Director "Kerry Biggs" , Director

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Statement of Loss and Comprehensive Loss
Period from incorporation on September 22, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

		Period from incorporation on September 22, 2020 to December 31, 2020
Operating Expenses		
Office and miscellaneous	$	236
Professional fees		3,298
Management fees (Note 5)		33,483
Net Loss and Loss for the Period	**$**	**(37,017)**
Net Loss per Share, Basic and Diluted	**$**	**(0.01)**
Weighted Average Number of Shares Outstanding		**3,120,002**

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Statements of Changes in Equity
Period from incorporation on September 22, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

	Share Capital	Amount	Reserves	Deficit	Total
Incorporation on September 22, 2020	**2**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for cash (Note 4)	4,000,000	20,000	-	-	20,000
Special warrants issued (Note 4)	-	-	393,500	-	393,500
Net and comprehensive loss for the period	-	-	-	(37,017)	(37,017)
Balance, December 31, 2020	**4,000,002**	**$ 20,000**	**$ 393,500**	**$ (37,017)**	**$ 376,483**

(The accompanying notes are an integral part of these financial statements)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)
Statement of Cash Flows
Period from incorporation on September 22, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

		Period from incorporation on September 22, 2020 to December 31, 2020
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	$	(37,017)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities		33,483
		(3,534)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		20,000
Proceeds from issuance of special warrants		393,500
		413,500
NET CHANGE IN CASH		409,966
CASH – beginning of period		-
CASH – end of period	$	409,966

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Going Concern

Billy Goat Brands Ltd. (formerly 1266663 B.C. Ltd) (the "Company" or "Billy") is an investment holding firm focused on investments and acquisition of assets in the functional foods, plant-based proteins and health and wellness space. The Company was formed on September 22, 2020 under the Business Corporations Act in Province of British Columbia, Canada. On January 5, 2021, the Company changed its name from 1266663 B.C. Ltd. to Billy Goat Brands Ltd.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2020, the Company had not achieved profitable operations, had an accumulated deficit of $37,017 and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, expansion and customer deployments.

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

2. Basis of Presentation

a) Statement of Compliance and Presentation

These financial statements have been prepared in accordance with the International Financial Reporting Standard ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Functional and Presentation Currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

c) Significant Accounting Judgment and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Estimates and assumptions are pervasive throughout the financial statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods impacted.

2. Basis of Presentation (continued)

c) Significant Accounting Judgment and Estimates (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. Going Concern

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

ii. Investment entity

Management has applied judgement in determining whether the Company meets the criteria required under IFRS 10, in order to be classified as an investment entity.

3. Significant Accounting Policies

a) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income (loss) except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or recoverable on taxable income or loss for the current period. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

b) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction.

3. Significant Accounting Policies (continued)

c) Share-Based Payment Transactions

A share option plan allows Company employees and consultants to acquire shares of the Company. Upon completing a share option plan, the fair value of any options granted will be recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where share options are awarded to employees, the fair value is measured at grant date, and each tranche would be recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where share options are granted to non-employees, fair value would be measured at grant date at the fair value of the goods or services received, unless they are related to the issuance of shares. All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

d) Accounting for Equity Units

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the fair value of the common shares, and any excess is allocated to warrants. Share issue costs (if any) are deducted against share proceeds.

e) Loss Per Share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

f) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive loss (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classifications under IFRS 9:

Financial assets	**Classification**
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized Cost

3. Significant Accounting Policies (continued)

f) Financial Instruments (continued)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Equity instruments designated as FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument. The Company does not currently hold any equity instruments designated as FVTOCI.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit loss. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

3. Significant Accounting Policies (continued)

f) Financial Instruments (continued)

Derecognition (continued)

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4. Share Capital

Authorized
Unlimited common shares without par value.

Share Capital
During the period ended December 31, 2020, the Company had the following transactions that resulted in the issuance of its common shares:

On incorporation, the Company issued 2 incorporation shares at $0.005 per share.

On October 9, 2020, the Company issued 4,000,000 common shares for gross proceeds of $20,000 pursuant to a non-brokered private placement.

Stock options – Directors, Officers, Employees and Consultants
The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company currently has not finalized nor executed its stock option plan, but will be preparing a more formal structure and plan shortly.

The Company did not grant any stock options granted during the period ended December 31, 2020.

Special Warrants
On December 4, 2020, the Company issued 19,675,000 special warrants of the Company at a price of $0.02 per special warrant for gross proceeds of $393,500. Each Special Warrant is convertible into units for no additional consideration with each unit consisting of one common share of the Company and one common share purchase warrant with each warrant entitling the holder thereof to purchase one additional share of the Company at a price of $0.10 per share for a period of twenty-four months from the date of issuance of the warrants. The Company recorded $393,500 in reserves for the issuance of these special warrants.

(Expressed in Canadian Dollars)

4. Share Capital (continued)

Warrants

The continuity for warrants for the period ended December 31, 2020 is as follows:

	Number of warrants	Weighted average exercise price
		$
Incorporation on September 22, 2020	**-**	**-**
Special warrants issued	19,675,000	0.10
Balance at December 31, 2020	**19,675,000**	**0.10**

5. Related Party Disclosures

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

	Period from incorporation on September 22, 2020 to December 31, 2020
	$
Management fees paid/accrued to a company controlled by a director of the Company	17,150
Management fees paid/accrued to a company controlled by a director of the Company	16,333
	33,483

6. Financial Instruments and Risk Management

a) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles most of its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

   As at December 31, 2020, the Company had a cash balance of $409,966 to settle current liabilities of $33,483, which are due within 12 months of December 31, 2020.

b) Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. Cash is held with major financial institutions in Canada and, accordingly, credit risk is nominal.

c) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk consists of two components:

   a. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

   b. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(Expressed in Canadian Dollars)

6. Financial Instruments and Risk Management (continued)

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk due to their short-term nature and maturity.

d) The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments classified as level 1 – Unadjusted quoted prices in active markets include cash.

The estimated fair value of accounts payable and accrued liabilities are equal to their carrying values due to the short-term nature of these instruments.

7. Income Taxes

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2020
Net loss for the period	$	37,017
Statutory income tax rate		27%
Income tax benefit computed at statutory tax rate	$	9,995
Unused tax losses and tax offsets not recognized		(9,995)
Income tax expense	$	-

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As at December 31, 2020, the Company has not recognized the benefit of the following deductible temporary differences:

		2020
Non-capital loss carry forward	$	37,017

As at December 31, 2020, the Company has approximately $37,000 in estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. The non-capital losses expire in 2040.

8. Subsequent Events

On January 24, 2021, the Company entered into a binding term sheet with Sophie's Kitchen, Inc. ("Sophie"), which was replaced with a credit facility agreement dated March 15, 2021, with the same terms. The Company agreed to provide a credit facility ("Facility") to Sophie in the principal amount of US$3,000,000 at the rate of 6% interest per annum with a maturity date 12 months after closing date. The maximum monthly draw from the credit facility is US$500,000. These loan proceeds can be converted to Sophie's common equity at any time prior to the maturity date at the option of the Company at a pre-determined valuation. In any event, the loan has a mandatory conversion provision into Sophie's common equity at the maturity date. The Company will receive share purchase warrants entitling the Company to acquire additional common shares of Sophie with a value of US$1,500,000 based on a twenty percent discount from the post-subscription valuation of Sophie immediately prior to a public listing of Sophie. The Company also has a share subscription option at a predetermined valuation, to acquire additional common shares of Sophie with a value of US$2,400,000, less the accrued interest.

On February 8, 2021, the Company entered into a loan agreement where the Company agreed to loan US$500,000 at the rate of 6% interest per annum with a maturity date of March 15, 2022 to Sophie. The loan will be used for general working capital purposes in connection with the development and expansion of the existing operations of Sophie.

On January 28, 2021, the Company issued 3,750,000 common shares at $0.10 per share for proceeds of $375,000 pursuant to the first tranche of a non-brokered private placement.

On February 8, 2021, the Company entered into a share purchase agreement with Funguys Beverage Inc. ("Funguys"). The Company acquired all of the issued and outstanding common shares of Funguys for 21,995,600 common shares of the Company at a price of $0.05 per share and 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date. Funguys' principal business is the development of mushroom infused cold coffee drinks. Under IFRS 3 – Business Combinations, the substance of the acquisition does not constitute a business combination as no processes were acquired and will be accounted for as an asset acquisition.

On February 10, 2021, the Company acquired 1,842,105 common shares of The Vegetarian Butcher Inc. ("Vegetarian"), for a 12.4% ownership of Vegetarian, at $0.19 per share for a total of $350,000. The Company will issue 134,000 finders shares in connection to the acquisition of the Vegetarian common shares.

On February 19, 2021 the Company granted 5,000,000 stock options exercisable at $0.02 per share until the earlier of February 19, 2022 and the date which the Company completes a going public transaction.

On February 23, 2021 the Company granted 500,000 stock options exercisable at $0.02 per share until the earlier of December 31, 2021 and the date which the Company completes a going public transaction.

On February 26, 2021, the Company issued 19,840,000 common shares at $0.10 per share for proceeds of $1,984,000 pursuant to the second tranche of the January 28, 2021 non-brokered private placement.

On March 29, 2021, the Company completed a private placement of 2,600,000 units for gross proceeds of $650,000, with each unit comprising of one common share and one-half-of-one common share purchase warrant. Each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.50 per share purchase warrant share for a period of twenty-four months from the date of issue. 102,000 finder's warrants with the same terms were issued in connection to the private placement.

APPENDIX "C"

BILLY GOAT BRANDS LTD. – MANAGEMENT'S DISCUSSION & ANALYSIS

(ATTACHED)

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)

Management Discussion and Analysis

For the three months ended March 31, 2021 and the period from incorporation on September 22, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

Set out below is a review of the activities, results of operations and financial condition of Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.) ("Billy", or the "Company") for the period ended March 31, 2021. The discussion below should be read in conjunction with the Company's financial statements ("financial statements") for the period ended March 31, 2021. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. ***This MD&A has been prepared as at xx, 2021.***

BACKGROUND AND CORE BUSINESS

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.) ("Billy" or the "Company") was formed on September 22, 2020 under the Business Corporations Act in Province of British Columbia, Canada. The Company is a business focused on investments and acquisition of assets in the function foods, plant-based proteins and health and wellness space.

The Company's head and registered office is 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

MANAGEMENT TEAM UPDATES

On September 22, 2020, the Company appointed Kris Dahl to lead the Company as its Director.

On September 22, 2020, the Company appointed Kerry Biggs as its Director.

OPERATION HIGHLIGHTS

The Company has had limited operating history from the time of incorporation on September 22, 2020 to the fiscal year end December 31, 2020. The focus of the Company over the fiscal 2020 period since incorporation was completing the initial non-brokered private placements (see "Equity Transactions" below) to support the initial business plan.

KEY INVESTMENT PORTFOLIO DESCRIPTION

As at March 31, 2021 the Company was actively pursuing asset purchases and other investment opportunities.

The Company currently holds the following flagship assets and investments:

- 100% ownership of FunGuys, a British Columbia-based manufacturer and distributer of organic Chaga and Lion's Main infused cold brew coffee under the KOLD™ brand, with a planned Q3 2021 North American launch.
- A right to acquire a 33% equity stake in Sophie's Kitchen, a USA-based plant-protein packaged goods manufacturer with an innovative line of frozen and shelf-stable seafood products. This will occur upon funding and conversion of an existing credit facility as well as the exercise of subscription rights granted to the Company.
- A 12.4% equity stake in the Vegetarian Butcher, a small footprint retail store concept with a multi-location 4-year growth plan. The Vegetarian Butcher currently operates retail stores in Kelowna and Vancouver

Funguys Beverage Inc

During the period ended March 31, 2021, the Company entered into a share purchase agreement with Funguys Beverage Inc. ("Funguys" or "FG"). The Company acquired all of the issued and outstanding common shares of Funguys for 21,995,600 common shares of the Company and issued 10,997,800 warrants pursuant to the transaction. Funguys' principal business is the development of mushroom infused cold coffee drinks.

During the period and as of the date of this report, Funguys completed the following achievements:

- On February 28, 2021, FG executed an onboarding agreement with Loop with respect to FunGuys' membership in the Loop Platform (the "Onboarding Agreement"), a circular shopping platform that sells grocery, household and personal care products using reusable and recyclable canisters. Pursuant to the Onboarding Agreement FunGuys paid Loop a one-time fee of USD$25,000 and is subject to an annual membership fee of USD$5,000. Loop will provide FunGuys with advisory services related to reusable consumer packaging, quality assurance, marketing and communications.
- FG hired Strother Simpson to a three-year employment and contract to lead it's coffee R&D and manufacturing programs.
- FG continued the R&D of it's Ready To Drink SKU with proprietary manufacturing methodologies and botulisim tests underway for FDA approval.
- FG accelerated it's KOLD brand go-to-market strategy development.

- Hired Partners & Hawes Agency to prepare the KOLD brand for market
- Established market ready brand books for all mediums.
- Began development of ecommerce website.
- Sourced various manufactures and products for the go-to-market plan

Vegetarian Butcher

Vegetarian Butcher Inc.

On February 10, 2021, the Company acquired 1,842,105 common shares of The Vegetarian Butcher Inc. ("Vegetarian" or "VB"), for a 12.4% ownership of Vegetarian, at $0.19 per share for a total of $350,000.

The Vegetarian Butcher aims to provide meat alternatives not only for vegetarians and vegans but for those health-conscious consumers. The Vegetarian Butcher currently has two bricks and mortar locations, one in Kelowna, British Columbia and one in Vancouver, British Columbia, and is negotiating leases for additional bricks and mortar stores additional cities in British Columbia, including Langley, White Rock and North Vancouver. The Vegetarian Butcher products fall into two categories: (a) house-made deli items; and (b) branded third-party and white-label consumer packaged goods.
Following the establishment of a retail footprint in British Columbia, the Vegetarian Butcher plans to expands across Canada, starting with stores in Ontario, Canada. In addition, in response to COVID-19, the Vegetarian Butcher has implemented a comprehensive COVID-19 safety plan and has started to focus on building its online sales and delivery platform.

During the period and as of the date of this report, VB completed the following achievements:

The Kelowna store continues to perform well. Sales were a bit flat through the Spring, but VB expecst a very busy summer. In Vancouver, VB has seen steady increase in month-over-month sales, including a 25% increase in May 2021. As COVID restrictions continue to ease (and people return to urban centers), we anticipate that Gastown will continue to increase its sales. Of particular importance, both stores have experienced significant increases in delivery and catering sales.

In relation to new stores – VB has signed leases in both White Rock and Langley. The lease space in White Rock is a new build and we're scheduled to take possession upon the earlier of the date we receive our permit from the City and August 10, 2021. The space is approximately 850 square feet and is in a high-foot and vehicle traffic area (Miramar Village). The lease space in Langley is at Willoughby Town Center and is currently under construction. The projected completion date is October 2021. The lease space is approximately 900 square feet and is in the Willoughby area of Langley, which is one of the fastest growing (and young) communities in the Greater Vancouver Area. Both new lease spaces will require a 3-month build out.

Sophie's Kitchen

Sophie's Kitchen is a plant-protein packaged goods manufacturer with an innovative line of frozen and shelf-stable seafood products. Headquartered in Las Vegas, Nevada, USA, Sophie's Kitchen offers a large selection of frozen and shelf-stable plant-based alternative food products for vegans and non-vegans alike. Sophie's Kitchen's products are always soy-free, gluten-free,non-GMO, and plant-based.

On February 8, 2021, the Company entered into a loan agreement where the Company agreed to loan CAD$614,673 (US$500,000) at the rate of 6% interest per annum with a maturity date of June 30, 2022 to Sophie's Kitchen. The loan will be used for general working capital purposes in connection with the development and expansion of the existing operations of Sophie.

On March 15, 2021, the Company entered into a credit facility agreement with Sophie's Kitchen to establish a credit facility in the principal amount of USD$3,000,000 (the "**SF Credit Facility**") at the rate of 6% interests per annum with a maturity date 12 months after closing. The SF Credit Facility permits short term loans for general working capital purposes of Sophie's Kitchen. The maximum monthly draw from the SF Credit Facility is USD$500,000.

These loan proceeds can be converted to Sophie's Kitchen common equity at any time prior to the maturity date at the option of the Company at a pre-determined valuation. In any event, the loan has a mandatory conversion provision into Sophie's common equity at the maturity date. The prior loan on February 8, 2021 was converted into the SF Credit Facility as the first drawdown.

The Company will receive share purchase warrants entitling the Company to acquire additional common shares of Sophie with a value of USD$1,500,000 based on a twenty percent discount from the post-subscription valuation of Sophie immediately prior to a public listing of Sophie. The Company also has a share subscription option at a predetermined valuation, to acquire additional common shares of Sophie with a value of USD$2,400,000, less the accrued interest. In aggregate, the Company has the right to acquire up to a 33% equity stake in Sophie's Kitchen.

During the period and as of the date of this report, Sophies has collaborated with the Company's management to execute the following:

- Worked with Sophies to re-structure it's accounting department including accounting standards to comply with future plans to go public
- Worked with Sophies to plan strategic hiring initiatives including HR Leader, Operations Leader, Sales Leader, Co-CMO, and Food Scientists

.EQUITY TRANSACTIONS

During the period ended December 31, 2020, the Company had the following transactions that resulted in the issuance of its common shares:

1. On January 28, 2021, the Company issued 3,750,000 common shares at $0.10 per share for proceeds of $375,000 pursuant to the first tranche of a non-brokered private placement.

2. On February 8, 2021, the Company entered into a share purchase agreement with Funguys Beverage Inc. ("Funguys"). The Company acquired all of the issued and outstanding common shares of Funguys for 21,995,600 common shares of the Company at a price of $0.10 per share and 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date.

3. On February 26, 2021, the Company issued 19,840,000 common shares at $0.10 per share for proceeds of $1,984,000 pursuant to the second tranche of the January 28, 2021 non-brokered private placement.

4. On March 29, 2021, the Company completed a private placement of 2,600,000 units for gross proceeds of $650,000, with each unit comprising of one common share and one-half-of-one common share purchase warrant. Each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.50 per share purchase warrant share for a period of twenty-four months from the date of issue. 102,000 finder's warrants with the same terms were issued and $25,500 cash was paid in connection to the private placement.

TRENDS AND INVESTMENT STRATEGY

The Company is actively pursuing asset purchases and investment opportunities in high revenue growth businesses. Specifically, the Company will look for diversified exposure to expansion-stage companies with ESG values (environmental, social and governance) and their associated brands, in key categories, including functional foods, plant-based proteins and nutraceuticals. The Company will look to take meaningful ownership in each asset it invests in, to provide not only financial support, but also management and operational support. The Company targets businesses that have a strong management teams that can drive revenue growth in their respected industries.

RESULTS OF OPERATIONS

	Three Months ended March 31, 2021 $	**Period from incorporation on September 22, 2020 to December 31, 2020 $**
EXPENSES		
Advertising and promotions	10,886	-
Management fees	30,000	33,483
Office and miscellaneous	391	236
Professional fees	161,192	3,298
Share based compensation	1,265,852	-
Fair value loss change in investments	1,043,758	-
Loss and comprehensive loss for the period	(2,512,079)	(37,017)

The Company recorded net loss of $2,512,079 for the period ended March 31, 2021. The Company was incepted on September 22, 2020 and thus, there is no comparative period. Some of the significant charges to operations are as follows:

- The Company incurred professional fees of $161,192 in relation to the legal fees in incorporating the Company and transactions in relation to Funguys acquisition.
- The Company incurred management fees of $30,000. The Company relies heavily on management to execute the business strategy to achieve the financial and operational goals of the business.
- The Company incurred share based compensation of $1,265,852 for option grants to arms-length consultants for business development and advisory services.
- The Company recognized a fair value change loss of $1,043,758 in connection with the Funguys investment. The cost of the transaction was $2,293,789 and was written down to $1,250,000 supported by an independent third-party valuation.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	March 31, 2021 $	December 31, 2020 $
Deficit and Cash Flow		
Net loss	1,468,321	37,017
Basic and diluted loss per share	(0.07)	(0.00)
Balance Sheet		
Total Assets	6,776,022	409,966

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable. The Company was incepted on September 22, 2020, and as such, there are no comparative quarters.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at March 31, 2021, the Company had a working capital of $4,535,819 (December 31, 2020 - $376,483) which primarily consisted of cash of $4,513,258. Current liabilities, being accounts payable and accrued liabilities of $77,439.

Cash used in operating activities were $158,513. The Company was incepted on September 22, 2020 and incurred minimal activity during the period ended December 31, 2020.

Cash provided by financing activities were $5,330,591. The fluctuation relates to common shares being issued pursuant to private placements.

Cash used in investing activities were $1,068,786. The fluctuation relates to investment in Vegetarian Butcher and Sophie's Kitchen.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

OUTSTANDING SHARE DATA

At the date of this report the Company has 67,534,335 issued.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At the date of this report, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company are as follows:

Tony Harris	CEO and Director
Kris Dahl	COO and Director
Kerry Biggs	CFO and Director
Lindsay Hamelin	Director
Natasha Raey	Director
Todd Buchanan	Chairman of Investment Committee
Asghar Khan	CSO and Head of Development

Key management personnel are comprised of the Chief Executive Officer, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

	March 31, 2021	**Period from incorporation on September 22, 2020 to December 31, 2020**
	$	**$**
Management fees paid/accrued to a company controlled by director of the Company	63,483	33,483
	63,483	**33,483**

During the period end, the Company closed the acquisition of *Funguys Beverage Inc. The Company's CEO was common management of Funguys and a shareholder of Funguys prior to the closing of the transaction.*

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of net assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the amortization of equipment, recoverability of the carrying value of exploration and evaluation assets, fair value measurements for, reserves and accumulated depletion, financial instruments and stock-based compensation and other equity-based payments, and the recoverability of deferred tax assets. Actual results may differ from those estimates and judgments.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgement applied in preparing the Company's financial statements is the assessment of the Company's ability to continue as a going concern.

PROPOSED TRANSACTIONS

There are currently no significant proposed transactions, other than what is disclosed elsewhere in the MD&A.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been private placement equity transactions. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk consists of two components:

a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

   Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk due to their short-term nature and maturity.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

CONTINGENCIES

The Company is not aware of any contingencies or pending legal proceedings as of March 31, 2021 and as of the date of this report.

RISK FACTORS

The following are certain risk factors relating to the business carried on by the Company that prospective holders of Shares should carefully consider.

Risk Factors Associated with the Company's Business

The following are certain risk factors relating to the business carried on by the Company that prospective holders of Shares should carefully consider.

Limited Operating History

The Company has limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the blockchain and business intelligence markets. There is no certainty that the Company will operate profitably.

No Profits to Date

The Company has not made profits since its incorporation and it may not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in developing its database solution and to the extent to which it is able to generate significant revenues. Because of the limited operating history and the uncertainties regarding the development of blockchain technology, management does not believe that the operating results to date should be regarded as indicators for the Company's future performance.

Going Concern Assumption

The financial statements of the Company have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to successfully develop its supply chain management business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Market Acceptance

If the Company's supply chain solution does not gain market acceptance, its operating results may be negatively affected. If the markets for the Company's solution fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its solution; (ii) develop new products or services; or (ii) complete new products and services currently under development. If the Company's solution is not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company identifies an acquisition opportunity or require significant access to credit for other reasons. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in 36 world financial markets, may have a material adverse effect on the Company business, operating results, and financial condition.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Company's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Company's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. Regulatory agencies could shut down or restrict the use of platforms using blockchain based technologies. This could lead to a loss of any investment made in the Company and may trigger regulatory action by the OSC or other securities regulators.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Dependence on Third Party Relationships

The Company is highly dependent on a number of third party relationships to conduct its business and implement expansion plans. it cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Economic Environment

The Company's operations could be affected by general economic context conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Company's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Company's management.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation ican be recovered from the Company's insurance policy.

Conflicts of interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the OBCA. To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industrial supply chain management industry in the USA. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company's Shares.

COVID-19

The outbreak of the coronavirus ("**COVID-19**") pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-

19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

Cautionary Statement

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.)

Management Discussion and Analysis

For the period from incorporation on September 22, 2020 to December 31, 2020

(Expressed in Canadian Dollars)

Set out below is a review of the activities, results of operations and financial condition of Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.) ("Billy", or the "Company") for the period ended December 31, 2020. The discussion below should be read in conjunction with the Company's financial statements ("financial statements") for the period ended December 31, 2020. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. ***This MD&A has been prepared as at April 21, 2021.***

BACKGROUND AND CORE BUSINESS

Billy Goat Brands Ltd. (Formerly 1266663 B.C. Ltd.) ("Billy" or the "Company") was formed on September 22, 2020 under the Business Corporations Act in Province of British Columbia, Canada. The Company is an investment entity focused on investments and acquisition of assets in the functional foods, plant-based proteins and health and wellness space.

The Company's head and registered office is 2200 - 885 West Georgia Street, Vancouver, BC, V6C 3E8.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

MANAGEMENT TEAM UPDATES

On September 22, 2020, the Company appointed Kris Dahl to lead the Company as its coo and Director.

On September 22, 2020, the Company appointed Kerry Biggs as its CFO and Director.

On November 17, 2020, the Company appointed Tony Harris as CEO and Director.

On April 12, 2021, the Company appointed Natasha Raey and Lindsay Hamelin to the Board of Directors.

OPERATION HIGHLIGHTS

The Company has had limited operating history from the time of incorporation on September 22, 2020 to the fiscal year end December 31, 2020. The focus of the Company over the fiscal 2020 period since incorporation was completing the initial non-brokered private placements (see "Equity Transactions" below) to support the initial business plan.

KEY INVESTMENT PORTFOLIO DESCRIPTION

On January 24, 2021, the Company entered into a binding term sheet with Sophie's Kitchen, Inc. ("Sophie"), which was replaced with a credit facility agreement dated March 15, 2021, with the same terms. The Company agreed to provide a credit facility to Sophie in the principal amount of US$3,000,000 at the rate of 6% interest per annum with a maturity date 12 months after closing date. The maximum monthly draw from the credit facility is US$500,000. The Company will receive share purchase warrants entitling the Company to acquire additional common shares of Sophie with a value of US$1,500,000 based on a twenty percent discount from the post-subscription valuation of Sophie immediately prior to a public listing of Sophie. The Company also has a share subscription option to acquire additional common shares of Sophie with a value of US$2,400,000, less the accrued interest.

On February 8, 2021, the Company entered into a share purchase agreement with Funguys Beverage Inc. ("Funguys"). The Company acquired all of the issued and outstanding common shares of Funguys for 21,995,600 common shares of the Company at a price of $0.05 per share and 10,997,800 warrants at an exercise price of $0.25, exercisable for a period of twenty-four months following the closing date. Funguys' principal business is the development of mushroom infused cold coffee drinks. Under IFRS 3 – Business Combinations, the substance of the acquisition does not constitute a business combination as no processes were acquired and will be accounted for as an asset acquisition.

On February 10, 2021, the Company acquired 1,842,105 common shares of The Vegetarian Butcher Inc. ("Vegetarian"), for a 12.4% ownership of Vegetarian, at $0.19 per share for a total of $350,000. The Company will issue 134,000 finders shares in connection to the acquisition of the Vegetarian common shares.

.EQUITY TRANSACTIONS

During the period ended December 31, 2020, the Company had the following transactions that resulted in the issuance of its common shares:

1. On incorporation, the Company issued 2 incorporation shares at $0.005 per share.
2. On October 9, 2020, the Company issued 4,000,000 common shares (each a "Share") for gross proceeds of $20,000 pursuant to a private placement.
3. On December 4, 2020, the Company issued 19,675,000 special warrants of the Company at a price of $0.02 per special warrant for gross proceeds of $393,500. Each Special Warrant is convertible into units with each unit consisting of one common share of the Company and one common share purchase warrant with each warrant entitling the holder thereof to purchase one additional share of the Company at a price of $0.10 per share for a period of twenty-four months from the date of issuance of the warrants. The Company recorded $393,500 in reserves for the issuance of these special warrants.

TRENDS AND INVESTMENT STRATEGY

The Company is an investment holding firm whose primary objective is to invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in the food and beverage industry, with a focus on: (i) plant-based protein, (ii) functional foods, (iii) food technology, (iv) fermented foods, and (v) cultured and cell agriculture. Investments will be acquired and held for short-term gains, income generation, or long-term capital appreciation, dependent upon the specific investment. The paramount goal of the Company will be to generate maximum returns from its investments.
The Company operates with early stage growth (ESG) values and only targets investments with organizations that also operate with the same ESG standards. The Company operates with a decentralized executive team, which has enabled the founders of the organization to assemble a formidably talented and experienced global management team even with the challenges of the COVID-19 pandemic. Currently all product manufacturing occurs in Texas, which is also home to a major bottling plant where Loop, the Company's third-party logistics partner is located. Research and development activities occur in British Columbia and Texas.
The Company believes that a robust ESG strategy is key towards delivering what investors want: transparency, long-term value and sustainability. The ultimate portfolio mix will be skewed to plant-based proteins at 45% and functional foods and beverages at 40%. Food technology (foodtech) is an inherent synergistic fit with the food products portfolio and the company is targeting to have 15% of its portfolio (as measured by dollar value) in foodtech companies.

The Company currently holds the following flagship assets and investments:

- 100% ownership of FunGuys, a BC based manufacturer and distributer of organic Chaga and Lion's Main infused cold brew coffee under the KOLD™ brand with a planned Q3 2021 NA launch.

- A right to acquire a 33% equity stake in Sophie's Kitchen, a USA based plant-protein packaged goods manufacturer with an innovative line of frozen and shelf-stable seafood products. This will occur upon funding and conversion of an existing credit facility as well as the exercise of subscription rights granted to the Company.

- 12.4% equity stake in the Vegetarian Butcher, a small footprint retail store concept with a multi-location 4-year growth plan. The Vegetarian Butcher currently operates stores in Kelowna and Vancouver.

SELECTED ANNUAL INFORMATION

A summary of selected annual financial information since incorporation on September 22, 2020 is as follows, as expressed in Canadian dollars, and in accordance with IFRS:

	Period from incorporation on September 22, 2020 to December 31, 2020 **$**
Total assets	409,966
Total long-term financial liabilities	-
Net loss and comprehensive loss	(37,017)

The Company was incorporated on September 22, 2020, therefore there are no comparative period numbers prior to this date.

	Period from incorporation on September 22, 2020 to December 31, 2020 $
EXPENSES	
Office and miscellaneous	236
Professional fees	3,298
Management fees	33,483
Loss and comprehensive loss for the period	(37,017)

RESULTS OF OPERATIONS
The Company recorded net loss of $37,017 for the period ended December 31, 2020. The Company was incorporation on September 22, 2020 and thus, there is no comparative period. Some of the significant charges to operations during the period ended December 31, 2020, are as follows:

- The Company incurred professional fees of $3,298 in relation to the legal fees in incorporating the Company.
- The Company incurred management fees of $33,483. The Company relies heavily on management to execute the business strategy to achieve the financial and operational goals of the business.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's most recently completed quarter, all prepared in accordance with IFRS.

	December 31, 2020 $
Income Statement	
Net loss and comprehensive loss	37,017
Basic and diluted loss per share	(0.00)
Balance Sheet	
Total Assets	409,966

SUMMARY OF QUARTERLY RESULTS

There are no general trends regarding the Company's quarterly results as the Company is newly incorporated. The Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable. The Company was incepted on September 22, 2020, and as such, there are no comparative quarters.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at December 31, 2020, the Company had a working capital of $376,483 which primarily consisted of cash of $409,966. Current liabilities, being accounts payable and accrued liabilities of $33,483.

Cash used in operating activities were $3,534 The Company was incorporated on September 22, 2020 and incurred minimal activity during the period ended December 31, 2020.

Cash provided by financing activities were $413,500. The fluctuation relates to common shares being issued pursuant to private placements and special warrants.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

OUTSTANDING SHARE DATA

At the date of this report the Company has 52,185,602 issued and outstanding common shares and 19,675,000 outstanding special warrants.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At the date of this report, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company are as follows:

Tony Harris	CEO and Director
Kris Dahl	COO and Director
Kerry Biggs	CFO and Director
Natasha Raey	Director
Lindsay Hamelin	Director

Key management personnel are comprised of the Chief Executive Officer, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

	Period from incorporation on September 22, 2020 to December 31, 2020
	$
Management fees paid/accrued to a company controlled by Kris Dahl	17,150
Management fees paid/accrued to a company controlled by Kerry Biggs	16,333
	33,483

As at December 31, 2020, $33,483 is due to related parties. All balances are unsecured, non-interest bearing, and are due on demand.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of net assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for reserves and shares issued as consideration, financial instruments and stock-based compensation and other equity-based payments, and the recoverability of deferred tax assets. Actual results may differ from those estimates and judgments.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgement applied in preparing the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether the Company meets the criteria as an investment entity in accordance with IFRS 10.

PROPOSED TRANSACTIONS

There are currently no significant proposed transactions, other than what is disclosed elsewhere in the MD&A.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at December 31, 2020, the Company had a cash balance of $409,966 to settle current liabilities of $33,483, which are due within 12 months of December 31, 2020.

Historically, the Company's sole source of funding has been private placement equity transactions. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2020, the Company did not have any financial instruments subject to interest rate risk.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

CONTINGENCIES

The Company is not aware of any contingencies or pending legal proceedings as of December 31, 2020 and as of the date of this report.

RISK FACTORS

The following are certain risk factors relating to the business carried on by the Company that prospective holders of Shares should carefully consider.

Risk Factors Associated with the Company's Business

The following are certain risk factors relating to the business carried on by the Company that prospective holders of Shares should carefully consider.

Limited Operating History

The Company has limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the blockchain and business intelligence markets. There is no certainty that the Company will operate profitably.

No Profits to Date

The Company has not made profits since its incorporation and it may not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in developing its database solution and to the extent to which it is able to generate significant revenues. Because of the limited operating history and the uncertainties regarding the development of blockchain technology, management does not believe that the operating results to date should be regarded as indicators for the Company's future performance.

Going Concern Assumption

The financial statements of the Company have been prepared in accordance with IFRS on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to successfully develop its supply chain management business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Market Acceptance

If the Company's supply chain solution does not gain market acceptance, its operating results may be negatively affected. If the markets for the Company's solution fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its solution; (ii) develop new products or services; or (ii) complete new products and services currently under development. If the Company's solution is not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company identifies an acquisition opportunity or require significant access to credit for other reasons. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in 36 world financial markets, may have a material adverse effect on the Company business, operating results, and financial condition.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Company's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Company's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. Regulatory agencies could shut down or restrict the use of platforms using blockchain based technologies. This could lead to a loss of any investment made in the Company and may trigger regulatory action by the OSC or other securities regulators.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain-based platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure that supports blockchain-based technologies will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make blockchain-based technologies viable will be

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Dependence on Third Party Relationships

The Company is highly dependent on a number of third party relationships to conduct its business and implement expansion plans. it cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Economic Environment

The Company's operations could be affected by general economic context conditions should the unemployment level, interest rates or inflation reach levels that influence consumer trends, and consequently, impact the Company's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Company's management.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation ican be recovered from the Company's insurance policy.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Conflicts of interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the OBCA. To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industrial supply chain management industry in the USA. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company's Shares.

COVID-19

The outbreak of the coronavirus ("**COVID-19**") pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

Cautionary Statement

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company

APPENDIX “D”

FUNGUYS BEVERAGES INC. – FINANCIAL STATEMENTS

(ATTACHED)

FUNGUYS BEVERAGE INC.

Financial Statements
For the year ended December 31, 2020 and for the period from incorporation on October 9, 2019 to December 31, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FUNGUYS BEVERAGE INC.

Opinion

We have audited the financial statements of Funguys Beverage Inc. (the "Company"), which comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of comprehensive loss for the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019;
- the statements of changes in shareholders' deficiency for the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019;
- the statements of cash flows for the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019; and
- the 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 December 31, 2020 and 2019, and its financial performance and its cash flows for the for the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits 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 in our audits 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 has an accumulated deficit of $26,696 as at December 31, 2020. As stated in Note 1, this condition along with other matters 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 information included in the Management Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Discussion & Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. 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 IFRS, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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 auditors' report is Sukhjit Gill.

Chartered Professional Accountants

Vancouver, British Columbia
XX, 2021

(Expressed in Canadian Dollars)

	Notes		Year ended December 31, 2020		Period from incorporation on October 9, 2019 to December 31, 2019
ASSETS					
Current assets					
Cash		$	889	$	1,700
Amounts receivable			161		49
TOTAL ASSETS		**$**	**1,050**	**$**	**1,749**
LIABILITIES AND SHAREHOLDER'S DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities		$	3,720	$	1,500
Due to related parties	5		24,025		16,570
TOTAL LIABILITIES			**27,745**		**18,070**
SHAREHOLDERS' DEFICIENCY					
Share capital	4		1		1
Deficit			(26,696)		(16,322)
TOTAL SHAREHOLDERS' DEFICIENCY			**(26,695)**		**(16,321)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$**	**1,050**	**$**	**1,749**

Nature and continuance of operations (Note 1)
Subsequent event (Note 8)

Approved and authorized for issuance on behalf of the Board on XX, 2021.

"Antony Harris", Director "Scott Marr" , Director

(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2020	Period from incorporation on October 9, 2019 to December 31, 2019
Expenses			
Research and development costs		$ 7,414	$ 13,300
Office and sundry		639	84
Professional fees		2,321	2,938
Net loss and comprehensive loss for the period		**$ (10,374)**	**$ (16,322)**
Net loss per share – basic and diluted		$ (104)	$ (163)
Weighted average number of common shares outstanding		100	100

FUNGUYS BEVERAGE INC.
Statements of Changes in Shareholders' Deficiency
For the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019
(Expressed in Canadian Dollars)

	Share capital			
	Number of shares	Amount	Deficit	Total
Incorporation on October 9, 2019	100	$ 1	$ -	$ 1
Net and comprehensive loss for the period	-	-	(16,322)	(16,322)
Balance at December 31, 2019	**100**	**$ 1**	**$ (16,322)**	**$ (16,321)**
Net and comprehensive loss for the year	-	-	$ (10,374)	$ (10,374)
Balance at December 31, 2020	**100**	**$ 1**	**$ (26,696)**	**$ (26,695)**

FUNGUYS BEVERAGE INC.
Statements of Cash Flows
For the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019
(Expressed in Canadian Dollars)

		Year ended December 31, 2020		Period from incorporation on October 9, 2019 to December 31, 2019
Operating activities				
Net loss for the period	$	(10,374)	$	(16,322)
Changes in non-cash working capital items:				
Amounts receivable		(112)		(49)
Due to related party		414		1,570
Accounts payable and accruals		2,220		1,500
Net cash flows used in operating activities	**$**	**(7,852)**	**$**	**(13,301)**
Financing activities				
Private placement		-		1
Due to related party		7,041		15,000
Net cash flows provided by financing activities	**$**	**7,041**	**$**	**15,001**
Change in cash	$	(811)	$	1,700
Cash, beginning of period		1,700		-
Cash, end of period	**$**	**889**	**$**	**1,700**

1. Nature and Operations and Going Concern

Funguys Beverage Inc. (the "Company") was incorporated provincially under the Business Corporations Act of British Columbia on October 9, 2019. The Company's principal business activity is the development of mushroom infused cold coffee drinks.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2020, the Company had not achieved profitable operations, had an accumulated deficit of $26,696 and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate financing, the Company would be required to curtail its planned operations, expansion and customer deployments.

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

2. Basis of Presentation

a) Statement of Compliance and Presentation
These financial statements have been prepared in accordance with the International Financial Reporting Standard ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Functional and Presentation Currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

c) Significant Accounting Judgment and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Estimates and assumptions are pervasive throughout the financial statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods impacted.

2. Basis of Presentation (Continued)

c) Significant Accounting Judgment and Estimates (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. Going Concern

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

3. Significant Accounting Policies

Intangible assets

Intangible assets are recorded at cost less accumulated amortization and any impairment losses. The estimated useful lives, residual values and amortization methods are reviewed annually and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite life or not yet available for use are not subject to amortization.

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized as research and development expenses in profit or loss.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income (loss) except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or recoverable on taxable income or loss for the current period. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

3. Significant Accounting Policies (Continued)

Income Taxes (Continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Loss Per Share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classifications under IFRS 9:

Financial assets	**Classification**
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized Cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Significant Accounting Policies (Continued)

Measurement (Continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

Equity instruments designated as FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument. The Company does not currently hold any equity instruments designated as FVTOCI.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit loss. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4. Share Capital

Authorized
Unlimited common shares without par value.

Share Capital
During the periods ended December 31, 2020 and 2019, the Company had the following transactions that resulted in the issuance of its common shares:

On October 9, 2019, the Company issued 100 common shares for gross proceeds of $1 pursuant to a non-brokered private placement.

5. Related Party Disclosures

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

As at December 31, 2020, $24,050 (December 31, 2019 - $16,570) is due to related parties relating to funds advanced to the Company. All balances are unsecured, non-interest bearing and are due on demand. The funds were utilized for research and development expenses incurred during the periods ended December 31, 2020 and 2019. No management compensation has been paid during the year ended December 31, 2020 and period from incorporation on October 9, 2019 to December 31, 2019.

6. Financial Instruments and Risk Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles most of its financial obligations with cash. The ability to do this relies on the Company raising either debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

As at December 31, 2020, the Company had a cash balance of $889 (December 31, 2019 - $1,700) to settle current liabilities of $27,745 (December 31, 2019 - $18,070), which are due within 12 months of period end.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. Cash is held with major financial institutions in Canada.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk consists of two components:

To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

(Expressed in Canadian Dollars)

6. Financial Instruments and Risk Management (Continued)

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk due to their short-term nature and maturity.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments classified as level 1 – Unadjusted quoted prices in active markets include cash.

The estimated fair value of accounts payable and accrued liabilities and due to related parties are equal to their carrying values due to the short-term nature of these instruments.

7. Income Taxes

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2020		2019
Net loss for the period	$	10,374	$	16,322
Statutory income tax rate		27%		27%
Income tax benefit computed at statutory tax rate	$	2,801	$	4,407
Unused tax losses and tax offsets not recognized		(2,801)		(4,407)
Income tax expense	$	-	$	-

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As at December 31, 2020, the Company has not recognized the benefit of the following deductible temporary differences:

		2020		2019
Non-capital loss carry forward	$	26,696	$	16,322

7. Income Taxes (Continued)

As at December 31, 2020, the Company has $26,696 (December 31, 2019 - $16,322) in estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. The non-capital losses have expiry dates between 2039 and 2040.

8. Subsequent Event

On February 8, 2021, the Company entered into a share purchase agreement with Billy Goat Brands Ltd. ("Billy Goat") to acquire all of the issued and outstanding shares of the Company. Pursuant to the share purchase agreement, Billy Goat issued to the Company's shareholders, an aggregate of 21,995,600 shares at a price of $0.05 per share and issued an aggregate of 10,997,800 warrants at an exercise price of $0.25 for a period of twenty-four months following the closing date.

APPENDIX "E"

FUNGUYS BEVERAGES INC. – MANAGEMENT'S DISCUSSION & ANALYSIS

(ATTACHED)

FUNGUYS BEVERAGE INC.

Management's Discussion and Analysis
For the year ended December 31, 2020 and for the period from incorporation on October 9, 2019 to December 31, 2019

(Expressed in Canadian Dollars)

Date: April 21, 2021

INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") of the operating results and financial condition of Funguys Beverage Inc. ("**Funguys**" or the "**Company**") for the year ended December 31, 2020 should be read in conjunction with the financial statements and accompanying notes for year ended December 31, 2020, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, are complete and reliable. The Company's board of directors (the "**Board**") follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the financial statements, the MD&A and to discuss other financial, operating, and internal control matters.

This MD&A is prepared as at April 22, 2021. All dollar figures stated herein are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to: volatility of stock price and market conditions, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include:

- the Company's use of proceeds and business objectives and milestones and the anticipated time of execution, see "Use of Proceeds";
- the performance of the Company's business and operations;
- the intention to expand the business, operations and potential activities of the Company;
- the competitive and business strategies of the Company;

INTRODUCTION (CONTINUED)

Forward-Looking Statements (continued)

- the Company's anticipated operating cash requirements and future financing needs;
- the anticipated future gross revenues and profit margins of the Company's operations;
- the Company's expectations regarding its revenue, expenses and operations;
- impacts of potential litigation;
- the Company's intention to build brands and develop products targeted to specific segments of the market;
- the ability to protect, maintain and enforce the Company's intellectual property rights;
- the ability to successfully leverage current and future strategic partnerships and alliances;
- the ability to attract and retain personnel;
- anticipated labour and materials costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

OVERVIEW

Funguys Beverage Inc. (the "Company") was incorporated provincially under the Business Corporations Act of British Columbia on October 9, 2019. The Company is a Canadian based manufacturer and distributer of organic Chaga and Lion's Main infused cold brew coffee under the KOLD™ brand with a planned Q3 2021

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially disrupt the Company's operations. As at September 30, 2020, we have also not observed any material impairments of our assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

OVERALL PERFORMANCE

Operational History - 2020

- Completed Phase 1 and Phase 2 activities, as defined in the Development Agreement.
- Developed three "ready to drink" samples with Brew N Bottle for three different coffees, which were ultimately infused with the selected mushroom variety.
- Developed initial branding concepts and hired experienced personnel from EA Sports, FIFA and Equifara Liquidity Event Planners to manage business strategy and operations.
- Completed roll-out of the KOLD cold-brew coffee brand.

On February 8, 2021, the Company entered into a share purchase agreement with Billy Goat Brands Ltd. ("Billy Goat") to acquire all of the issued and outstanding shares of the Company. Pursuant to the share purchase agreement, Billy Goat issued to the Company's shareholders, an aggregate of 21,995,600 shares at a price of $0.05 per share and issued an aggregate of 10,997,800 warrants at an exercise price of $0.25 for a period of twenty-four months following the closing date.

SELECTED ANNUAL INFORMATION

A summary of selected annual financial information for the last three fiscal years is as follows, as expressed in Canadian dollars, and in accordance with IFRS:

	Year ended December 31, 2020 $	Period from incorporation on October 9, 2019 to December 31, 2019 $
Total assets	1,050	1,749
Total long-term financial liabilities	-	-
Net loss and comprehensive loss	(10,374)	(16,322)

The Company was incorporated on October 9, 2019, therefore there are no comparative period numbers prior to this date.

RESULTS OF OPERATIONS

	Year ended December 31, 2020 $	Period from incorporation on October 9, 2019 to December 31, 2019 $
EXPENSES		
Research and development costs	7,414	13,300
Office and sundry	639	84
Professional fees	2,321	2,938
Loss and comprehensive loss for the period	(10,374)	(16,322)

The Company recorded net loss of $10,374 for the year ended December 31, 2020. The Company was incorporated on October 9, 2019 and thus, there is no comparative period. Some of the significant charges to operations are as follows:

RESULTS OF OPERATIONS

- The Company incurred research and development fees of $7,414 in relation to the research and development of organic Chaga and Lion's Mane infused cold brew coffee products.

- The Company incurred professional fees of $2,321 in relation to the legal fees in general legal matters of the Company.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	December 31, 2020 $	September 30, 2020 $	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $
Deficit and Cash Flow					
Net loss	-	10,330	44	-	16,322
Basic and diluted loss per share	-	(103)	(0.44)	-	(163)
Balance Sheet					
Total Assets	1,050	1,050	1,705	1,749	1,749

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable. The Company was incepted on October 9, 2019, and as such, there are no comparative quarters.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at December 31, 2020, the Company had a working capital deficit of $26,695 (December 31, 2019 – $18,070) which primarily consisted of cash of $889 (December 31, 2019 – $1,700). Current liabilities, being accounts payable and accrued liabilities of $3,720 (December 31, 2019 – $1,500) and amounts due to related parties of $24,025 (December 31, 2019 - $16,570).

During the yar ended December 31, 2020, cash used in operating activities were $7,852 (2019 – $13,301). The Company was incorporated on October 9, 2019 and primarily incurred research and development expenses relating to the development of cold brew infused products.

During the year ended December 31, 2020, cash provided by financing activities were $7,041 (2019 - $15,001). The fluctuation relates to primarily to increases in amounts due to related parties.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

OUTSTANDING SHARE DATA

At the date of this report the Company has 100 issued and outstanding common shares.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At the date of this report, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

As at December 31, 2020, $24,050 (December 31, 2019 - $16,570) is due to related parties relating to funds advanced to the Company. All balances are unsecured, non-interest bearing and are due on demand. The funds were utilized for research and development expenses incurred during the periods ended December 31, 2020 and 2019. No management compensation has been paid to date.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk is limited to its cash balances. The risk exposure is limited to the carrying amounts at the statement of financial position dates.

The Company's cash balances are held in accounts at a major Canadian financial institution. The credit risk associated with cash is mitigated, as cash is held at major institutions with high credit ratings.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of December 31, 2020, the Company had working capital deficit of $26,695 (December 31, 2019 – $18,070).

As at December 31, 2020, the Company had a cash balance of $889 (December 31, 2019 - $1,700) to settle current liabilities of $27,745 (December 31, 2019 - $18,070), which are due within 12 months of period end.

Historically, the Company's sole source of funding has been private placement equity transactions. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2020, the Company did not have any financial instruments subject to interest rate risk.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

NEW SIGNIFICANT ACCOUNTING POLICIES

Amendments to IFRS 3, Business Combinations ("IFRS 3")

In October 2018, the IASB issued "Definition of a Business (Amendments to IFRS 3)". The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business.

The amendments are effective for business combinations and asset acquisitions occurring on or after January 1, 2020.

There are no other pending IFRSs or IFRIC interpretations that are expected to be relevant to the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2023. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated interim financial statements.

OTHER RISKS AND UNCERTAINTIES

In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's interests.

Going concern

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments.

Risks Related to the Company's Business

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Regulatory Risk

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Realization of Growth Targets

The Company's ability to produce beverages is affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Limited Operating History and No Assurance of Profitability

The Company is subject to all of the business risks and uncertainties associated with any early stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.

In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Additional Financing

There is no guarantee that the Company will be able to execute on its strategy. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Strategic Alliances

The Company currently has, and may in the future enter into, strategic alliances with third parties that the Company believes will complement or augment its existing business. The Company's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Litigation

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Company has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Company's business, operating results or financial condition.

Transportation Disruptions

The Company will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier service used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Execution of Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Market Risk for Securities

The market price for the Common Shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Global Economy

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

CERTIFICATE OF THE COMPANY

Dated: August 16, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

/s/ "Tony Harris"	/s/ "Kerry Biggs"
Tony Harris **Chief Executive Officer**	**Kerry Biggs** **Chief Financial Officer**

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Lindsay Hamelin"	/s/ "Natasha Raey"
Lindsay Hamelin **Director**	**Natasha Raey** **Director**
/s/ "Kristian Dahl"	
Kristian Dahl **Director**	

ON BEHALF OF THE PROMOTERS

/s/ "Kristian Dahl"	/s/ "Kerry Biggs"
Kristian Dahl	**Kerry Biggs**