

*This Offering Memorandum (as defined herein) constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.*

## **OFFERING MEMORANDUM**

February 23, 2021

### **BNSELLIT TECHNOLOGY INC. ("BNSELLIT" or the "Corporation")**

4905-36 Avenue, Building B  
Delta, BC, V4K 3N2

Attention: L. Evan Baergen

Telephone: 604-940-8826; Fax: 1-888-739-9875

E-mail: [Evan@AxiomAdvisors.ca](mailto:Evan@AxiomAdvisors.ca)

Currently listed or quoted: No. **These securities do not trade on any exchange or market.**  
Reporting issuer: No  
SEDAR filer: No

### **The Offering**

Securities offered: Class "B" non-voting common shares (referred to herein as the "Class B Shares", or the "Shares")  
Price per security: \$1.00  
Minimum subscription: \$500 (500 Shares)

Minimum offering: \$75,000 (75,000 Shares)

Maximum offering: \$100,000 (100,000 Shares)

Payment terms: Payment by e-Transfer or cheque of the aggregate subscription amount is to be made with the delivery of a duly executed and completed Subscription Agreement. **See Item 5.2 Subscription Procedure**

Proposed closing date(s): There may be more than one closing under this Offering which shall occur within a reasonable period of time upon the Corporation obtaining subscriptions from a minimum of 150 subscribers.

Income tax consequences: **There are important tax consequences to these securities. See Item 6 - Income Tax Consequences and Registered Savings Plan Eligibility.**

Selling agent: The Corporation may pay a cash commission or a finder's fee equal to up to 5% to Sales Agents (other than Officers and Directors of the Corporation) in accordance with Applicable Securities Legislation (as defined herein). See "Item 7 – Compensation Paid to Sellers and Finders".

### **Resale Restrictions**

You will be restricted from selling your securities for an indefinite period. See "Item 10 – Resale Restrictions".

### **Purchaser's Rights**

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Item 11 – Purchasers' Rights".

***No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Item 8 – Risk Factors".***

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**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Corporation's expectations except as otherwise required by applicable legislation.

## GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

"**ABCA**" means the Business Corporations Act (*Alberta*).

"**Business Opportunity**" means the future business opportunity that the management team of the Corporation intends to pursue.

"**Class B Shares**" or "**Shares**" means the Class B non-voting common shares of the Corporation.

"**Corporation's Securities**" means collectively the Corporation's Class A and B Common Shares, together with any existing or future classes of shares created by the Corporation together with any debt-based securities of the Corporation.

"**CRA**" means the Canada Revenue Agency.

"**Registered Savings Plan**" means an RRSP (Registered Retirement Savings Plan), RRIF (Registered Retirement Income Fund), RESP (Registered Education Savings Plan), TFSA (Tax-Free Savings Account), or similar type of registered financial savings plan as defined under the Tax Act.

"**Maximum Offering**" means 100,000 Class B Shares offered by the Corporation pursuant to this Offering.

"**Minimum Offering**" means 75,000 Class B Shares offered by the Corporation pursuant to this Offering.

"**NI 45-106**" means National Instrument 45-106 Prospectus and Registration Exemptions.

"**Offering**" means the offering of Class B non-voting common shares pursuant to this Offering Memorandum.

"**Offering Memorandum**" means this offering memorandum as amended or supplemented.

"**Public Company Election**" means an election of the Corporation to become a "public corporation" as defined within the Tax Act.

"**Public Corporation**" means a corporation that is resident in Canada at the particular time, and before that time, it elected in prescribed manner by filing Form T2073 to be a public corporation, and it complied with prescribed conditions relating to the number of its shareholders, the dispersal of ownership of its shares and the public trading of its shares, and unless it ceased to be a public corporation because of an election or designation before that particular time.

"**Regulations**" means the Tax Act regulations.

"**Subscriber(s)**" means parties who subscribe for Class B Shares pursuant to this Offering.

"**Subscription Agreement**" means the subscription agreement to purchase Class B Shares in the form attached hereto as Schedule A.

"**Tax Act**" means the Income Tax Act (Canada) and the regulations relating thereto.

In this Offering Memorandum, references to "dollars" and \$ are to the currency of Canada.

## ITEM 1 - USE OF AVAILABLE FUNDS

### 1.1 Available Funds

The following table discloses the funds available as a result of the Offering and such additional sources of funding required by the Corporation:

		Assuming Minimum Offering	Assuming Maximum Offering
A.	Amount to be raised from issuance of this Offering	\$75,000	\$100,000
B.	Selling commissions and fees <sup>(1)</sup>	\$0	\$0
C.	Estimated Offering costs <sup>(2)</sup>	\$0	\$0
D.	Available funds: $D = A - (B + C)$	\$75,000	\$100,000
E.	Additional sources of funding required <sup>(3)</sup>	Nil	Nil
F.	Working Capital	Nil	Nil
G.	Total: $G = (D + E) - F$	<b>\$75,000</b>	<b>\$100,000</b>

(1) Selling commissions of 5% may be paid under this Offering, but the Corporation does not expect to pay any commissions. See Item 7 – Compensation Paid to Sellers and Finders

(2) Estimated Offering costs of \$6,000 will be paid for directly by the shareholders of the Corporation. Funds from this Offering will not be used to be pay these costs. The shareholders have also engaged Axiom Advisors Inc. to assist in the preparation and closing of this Offering.

(3) The Corporation does not require additional funds from other sources to advance its short-term business objectives. The Corporation will require additional financing to meet its long-term business objectives of the Corporation. **See Item 2.2 - Our Business.**

### 1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the available funds from this Offering in the 12 months ensuing from the date of this Offering Memorandum:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
General working capital and future dividends	\$75,000	\$100,000
<b>Total</b>	<b>\$75,000</b>	<b>\$100,000</b>

### 1.3 Reallocation

The Corporation intends to use the available funds as stated. The Corporation will reallocate funds only for sound business reasons.

## ITEM 2 - BUSINESS OF THE CORPORATION

### 2.1 Business Structure

The Corporation was incorporated pursuant to ABCA on February 4, 2021. The Corporation's head and

registered office is located at 210, 2020-4 Street SW, Calgary, Alberta, T2S 1W3.

In the event that the Corporation is successful in raising funds from at least 150 individual Subscribers pursuant to this Offering Memorandum, with each such Subscriber purchasing 500 Shares under this Offering, the Corporation intends to make the Public Company Election with CRA using form T2073.

Upon the Corporation making the Public Company Election, the Corporation's Securities, which includes all classes of shares and debt-based securities of the Corporation, will be qualified investments for Registered Savings Plans. **See Item 6 Income Tax Consequences and Registered Savings Plan Eligibility.**

## **2.2 Our Business**

The Corporation is in a start-up phase of development and has not carried out business prior to this Offering and has no development history. Since the date of incorporation, the Corporation has been engaged in the preparation for this Offering Memorandum, which has included, among other things, putting in place a management team, a board of directors, and retaining legal counsel.

Concurrent with this Offering, the management team intends to pursue a Business Opportunity that will utilize the Corporation's status as a Public Corporation. The management team intends to pursue an opportunity to purchase assets or shares of a company that is seeking a listing on a public stock exchange ("Go Public Transaction", as defined below). If management is successful and upon the closing of the Go Public Transaction by the Corporation, the Subscriber agrees to exchange 100 Class B Shares purchased under this Subscription Agreement for 1,000 Class A Common Voting Shares of the Corporation (the "Share Exchange").

Go Public Transaction means (i) the listing of any securities of the Corporation on a stock exchange in North America; (ii) the sale of all or substantially all of the issued and outstanding shares of the Corporation or the sale of all or substantially all of the assets of the Corporation for securities that are listed and posted for trading on a stock exchange in North America; or (iii) any transaction of a similar nature.

This Offering is a "blind pool" offering in that the management team of the Corporation has not yet finalized the new Business Opportunity.

The Corporation plans on paying dividends of at least \$600 to the Class B shareholders as soon as cash flow allows unless management is successful in its efforts to secure a Go Public Transaction; if this occurs, the Corporation may redeem the remaining Class B Shares at some point after the Share Exchange.

## **2.3 Development of Business**

The Corporation intends to close on the Minimum Offering amount and thereafter proceed to make the Public Company Election. Finalization of the Business Opportunity will occur once the Public Company Election has been filed with CRA.

## **2.4 Long Term Objectives**

The Corporation's long-term objectives will consist of finalizing the Business Opportunity with the objective of making a profit therein.

## **2.5 Short Term Objectives and How the Corporation Intends to Achieve Them**

The Corporation's short-term objectives are to raise up to \$100,000 from this Offering and make the Public Company Election.

The following outlines the Corporation's short-term objectives and the methods and costs associated with the achievement of these objectives:

What we must do and how we will do it	Target completion number of months to complete	Our cost to complete
Raise up to \$100,000 from this Offering	2 months	\$0 <sup>(1)</sup>
Make the Public Company Election	2 months	Nil

(1) All costs to complete this Offering, estimated at \$6,000, will be paid for directly by the shareholders or other sources of capital that the company may obtain.

## 2.6 Insufficient Funds and Cash Reserves

The funds raised pursuant to this Offering Memorandum will be sufficient to meet all of the Corporation's proposed short-term objectives. The management team may ultimately require additional financing to finalize the Business Opportunity and there is no assurance that additional financing will be available to the Corporation. As of the date of this Offering Memorandum and for the purposes of this Offering, the Corporation does not intend to hold any significant cash reserves other than amounts necessary to pay for all administration and operating expenses incurred by the Corporation in the conduct of its business.

## 2.7 Material Agreements

As of the date this Offering Memorandum, the Corporation has not entered into any agreements that could be considered to be material to the Corporation or a prospective purchaser of the Shares being offered pursuant to this Offering.

## ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL SHAREHOLDERS

### 3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "Principal Holder"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Corporation has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held	Compensation paid by the Corporation since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities of the Corporation held after completion of the Minimum Offering	Number, type and percentage of securities of the Corporation held after the completion of the Maximum Offering
Doug McCartney	-	Nil	100 Class A shares, 100%	100 Class A shares, 100%
L. Evan Baergen	Director, CEO	Nil	-	-
Dwight Martin	Director, Corporate Secretary	Nil	-	-

### 3.2 Management Experience

The following table discloses the principal occupations of the officers and directors of the Corporation over the past 5 years:

Name and municipality of principal residence	Management Experience
<b>L. Evan Baergen Delta, BC</b>	Evan has been active in a broad spectrum of enterprises encompassing various business sectors, including manufacturing, technology, consulting and service industries. Evan has educational degrees in Electronic Engineering Technology (Northern Alberta Institute of Alberta), Bachelor of Business Administration (Simon Fraser University), and is a Chartered Professional Accountant, having articulated with Price Waterhouse. He has been active in a wide range of senior management roles, such as the CEO of a Canadian public Issuer, CEO and CFO of various US public companies, private and public Issuer turnarounds, implementation of leading-edge technology projects, and various advisory engagement roles. Mr. Baergen also has been active in mergers and acquisitions, as well as several start-ups. He has served, or currently serves, as an officer or director of numerous public, private and not-for-profit companies.
<b>Dwight Martin, Lindell Beach, BC</b>	Dwight has more than 25 years of financial management experience involving the implementation of strategic business plans and raising capital for private and public entities. He has founded two public and several private companies in various industries. Mr. Martin has been a partner of a boutique brokerage and financial services group involved in advising small and mid-sized companies on corporate finance, M&A, buyouts, private equity and wealth management. Dwight owned his own accounting practice from 1993 to 2008 and practiced as a Chartered Accountant providing financial and taxation services to a wide range of businesses. He is a graduate from the University of Alberta with a Bachelor of Commerce degree, with distinction.

### 3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions by any securities commission, stock exchange or governmental regulatory agency that have been in effect during the last ten (10) years against an executive officer, director or control person of the Corporation or against a Corporation of which any of the foregoing was an executive officer, director or control person. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an executive officer, director or control person at that time.



## ITEM 4 - CAPITAL STRUCTURE

### 4.1 Share Capital

Description of security	Price per security	Number authorized to be issued	Number outstanding as at February 23, 2021	Number outstanding assuming completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Class A Common Shares	\$0.01	Unlimited	100	100	100
Class B Common Shares	\$1.00	Unlimited	-	75,000	100,000

### Corporation Securities

- (1) The Corporation is authorized to issue an unlimited number of Class A Common shares and an unlimited number of Class B Common shares.
- (2) The rights, privileges, restrictions and conditions attaching to the Class A Common shares and the Class B Common shares are as follows:
  - (a) The Class A Common shares, as a class, shall be designated as "Class A Common Shares" and shall be issuable by the board of directors of the Corporation (the "Board") and shall consist of such number of shares as the Board may from time to time designate. Each Class A Common share shall have attached the rights, privileges, restrictions and conditions set forth in the Articles of Incorporation.
  - (b) Voting Rights -
    - (i) The holders of the Class A Common shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except for meetings at which only holders of shares of a different class are entitled to vote separately as a class, and each such share shall confer on the holder thereof the right to one (1) vote in person or by proxy at all meetings of shareholders of the Corporation.
    - (ii) Except as provided by law the holders of the Class B Common shares, shall not be entitled to receive notice of or to attend any meetings of the shareholders of the Corporation or to vote at any such meeting or exercise any other voting rights.
  - (c) Dividends - The directors may, in their discretion, declare dividends on the Class A Common shares or the Class B Common shares, in such amounts as they may deem advisable. For greater certainty, the directors may, in their discretion, declare dividends on the Class A Common shares or the Class B Common shares at such time or from time to time as they may determine to the complete exclusion of any other class and without preference or priority of one class of shares over the others.
  - (d) Return of Capital - In the event of the liquidation, dissolution or winding-up of the Corporation, or other distribution of the property or assets of the Corporation among its shareholders for the

purpose of winding-up its affairs, whether voluntarily or involuntarily, such liquidation proceeds shall be paid or distributed to the holders of the Common shares pro rata based on the relative stated capital accounts thereof maintained by the Corporation for each class.

- (e) No securities, other than non-convertible debt securities, may be transferred without either:
  - (i) the approval of the directors of the Corporation expressed by a resolution passed by the board of directors of the Corporation at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors, or
  - (ii) the approval of the holders of a majority of the voting shares of the Corporation for the time being outstanding expressed by a resolution passed by the shareholders or by an instrument or instruments in writing signed by the holders of a majority of such shares.
- (f) Convertibility – In the event that a Go Public Transaction occurs, the Corporation with exchange 100 Class B Shares purchased under this Subscription Agreement for 1,000 Class A Common Voting Shares of the Corporation.

## 4.2 Long Term Debt

The Corporation presently has no long-term debt.

## 4.3 Prior Sales

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
February 4, 2021	Class A Common Shares	100	\$0.01	\$1.00

## ITEM 5 - SECURITIES OFFERED

### 5.1 Terms of Securities

The Corporation is offering Class B Shares for \$1.00 each. Subscribers must each subscribe for 500 Shares for a subscription amount of \$500. Subscribers may not subscribe for additional Shares.

There are special rights and restrictions attached to the Shares of the Corporation. A summary of certain of these rights and restrictions can be found in Item 4.1 Share Capital.

### 5.2 Subscription Procedure

#### a) Subscription Documents

Subscribers will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Shares, that it is purchasing the Shares as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Shares and that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and, as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedule A to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for the Class B Shares, a Subscriber must complete and execute (if received in electronic format) or complete, execute, and deliver the following documentation to the Corporation at 4905-36 Avenue, Building B Delta, BC, V4K 3N2:

1. One (1) completed and signed copy of the Subscription Agreement for Shares (including any schedules attached thereto); and
2. E-Transfer or cheque in an amount equal to \$500 (as set forth in the Subscription Agreement), payable to "**AXIOM ADVISORS INC.**";
3. Two (2) completed and executed copies of the Risk Acknowledgment Form (Form 45-106F4) attached to the Subscription Agreement.

Subject to applicable securities laws and the Subscriber's two-day cancellation right, a subscription for Shares, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. **See Item 11 Purchasers' Rights.**

Subscriptions for Shares will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a Subscription Agreement for Shares is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

It is expected that certificates representing the Shares will be available for delivery within a reasonable period of time after the relevant closing date(s).

#### **b) Distribution**

This Offering is subject to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign Risk Acknowledgment Forms attached to the Subscription Agreement as Exhibit A and Exhibit B.

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of the Provinces and Territories of Canada, which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Class B Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of Provinces and Territories allow the Corporation to offer the Shares for sale directly to Subscribers.

## ITEM 6 - INCOME TAX CONSEQUENCES AND REGISTERED SAVINGS PLAN ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The following summary sets out the principal Canadian federal income tax considerations for holders of Shares resident in Canada. The income tax considerations will not be the same for all Subscriber of Shares but will vary depending on a number of factors, including the province in which the Subscriber resides or carries on business, whether the Shares acquired by the Subscriber will be characterized as capital property, whether the Subscriber is an individual, trust or partnership, the nature and amount of the Subscriber's income from other sources and whether the Subscriber holds the Shares in a Registered Savings Plan.

The following discussion of the income tax considerations of an investment in Shares is of a general nature only and is not intended to constitute an exhaustive analysis of such income tax considerations and should not be interpreted as legal or tax advice to any particular Subscriber. **Each prospective Subscriber should obtain independent tax advice as to both the federal and provincial income tax consequences of a subscription for Class B Shares.**

This summary is based upon the current understanding of the provisions of the Tax Act and outlines the Canadian federal income tax consequences of investing in Shares and is based on the following assumptions:

- (1) the Subscriber is an individual resident in Canada;
- (2) the Subscriber acquires Shares pursuant to the Offering Memorandum and holds the Shares as capital property for the purpose of earning a return on the investment; and
- (3) the Subscriber deals at arm's length with the Corporation for purposes of the Tax Act.

The Tax Act and Regulations provide that a Canadian corporation may make an election to become a "public corporation" (as defined by the Tax Act) in circumstances where that corporation has no less than 150 shareholders of "equity shares" (as defined under the Tax Act), of a class that has been qualified for distribution to the public. None of the 150 shareholders may be "insiders" of the Corporation, each shareholder of the corporation must hold at least 100 shares of the corporation having an aggregate fair market value of not less than \$500 and insiders of the corporation may not hold more than 80% of the issued and outstanding shares of that class.

If the above conditions have been met, the Corporation plans to elect to be deemed a "public corporation" for purposes of the Tax Act elect by filing form T2073 with CRA, including provisions governing qualified investments for Registered Savings Plans.

Upon the Corporation making the aforementioned election, the Corporation's Securities will become eligible to be held in Registered Savings Plans pursuant to the Tax Act and Regulations.

The Shares will not be qualified investments for a Registered Savings Plan prior to the Corporation making the Public Company Election. However, as long as the Corporation meets the conditions in Regulation 4800 as above and files form T2073 to elect to be a "public corporation", and it further so elects in its return of income on or before the filing-due date for its first taxation year, the Corporation will be deemed to have been a public corporation from the beginning of that taxation year and consequently its shares will be qualified investments for Registered Savings Plans from that time on.

## ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

Where allowed by applicable securities legislation, the Corporation may retain any one of, or a combination of, the following parties: unrelated investment dealers, unrelated Exempt Market Dealers and/or their dealing representatives, parties related to the Corporation, employees and/or contractors of such parties, and the officers and directors of the Corporation to assist in the sale of the securities of the Corporation. When parties other than the officers and directors are retained, cash commissions of 5% may be paid from the proceeds of this Offering. It is the plan of the Corporation to have the officers and directors directly sell the Shares offered in this Offering Memorandum; however, if the Maximum Offering were all sold by parties to which a commission applied, the total commission would be \$5,000.

## ITEM 8 - RISK FACTORS

Purchase of Shares pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in the Shares at this time is highly speculative due to the stage of the Corporation's development and requirement to raise financing to carry out any long-term business plan of the Corporation.

An investment in Shares is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment.

Subscribers must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of the Corporation. This Offering is suitable for investors who are willing to rely solely upon the management of the Corporation and who could afford a total loss of their investment.

In addition to the risks of purchasing the Shares in the Corporation found elsewhere within this Offering Memorandum are the following:

### Investment Risk

1. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.
2. The Corporation's long-term objectives may not be achieved by the management team.
3. There is no assurance or guarantee that Subscribers pursuant to this Offering will earn a return on their investment.
4. The Corporation will have a limited amount of working capital.
5. There can be no assurance that any additional funding, if needed, will be available on terms attractive to the Corporation, or at all.
6. An investment in the Shares is an illiquid investment. There is currently no market through which the Shares may be sold. The Corporation is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Shares. Accordingly, Subscribers will be unable to sell the Shares, subject to some limited exceptions. **See Item 10 - Resale Restrictions.**
7. The Shares offered pursuant to this Offering are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
8. The offering price of the Shares has been determined by the Corporation. The offering price is not an

indication of the value of the Shares or that any of the Shares could be sold for an amount equal to the offering price or for any amount.

9. Subject to the ABCA, holders of Shares will have no right to vote on any matters affecting the Corporation, other than with respect to those matters specified by the ABCA. Exclusive authority and responsibility for controlling and managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, investors should appreciate that they will be relying on the good faith, experience, expertise and ability of director and officer of the Corporation and other parties for the success of the business of the Corporation.
10. The Corporation's future business objectives are expected to be financed in all or part by the issuance of additional securities by the Corporation and this may result in dilution to a Subscriber, which dilution may be significant.
11. The Corporation was only recently incorporated, has not commenced commercial operations and has no significant assets. It has no history of earnings.
12. The Subscribers to the Shares of the Corporation will not be entitled to notice of or to vote for or against the selection of new management of the Corporation.
13. This Offering is a "blind pool" offering in that management team of the Corporation has not yet finalized the long-term business of the Corporation.

### **Issuer Risk**

The Corporation has no operational history and no history of earnings. Accordingly, there is a limited operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. The Corporation's business prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.

### **ITEM 9 - REPORTING OBLIGATIONS AND SUBSEQUENT INFORMATION**

As at the date of this Offering Memorandum, the Company is not a "reporting Issuer" as such term is defined in applicable securities legislation and accordingly is not subject to most of the continuous disclosure reporting obligations imposed on reporting Issuers by such securities legislation. However, the Corporation is required to make the audited annual financial statements of the Corporation reasonably available to the Class B Shareholders, as well as any other information that may be required by the continuous disclosure reporting obligations from time to time for each jurisdiction.

## **ITEM 10 - RESALE RESTRICTIONS**

### **10.1 General Statement**

The Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Shares unless you comply with an exemption from the prospectus and registration requirements under securities legislation. The Corporation does not intend to file a prospectus.

### **10.2 Restricted Period**

Unless permitted under securities legislation, you cannot trade the Shares without an exemption before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. The Corporation does not intend to become a reporting issuer.

### **10.3 Manitoba Resale Restrictions**

For trades in Manitoba, unless permitted under securities legislation, you must not trade your Shares without the prior written consent of the regulator in Manitoba unless: (a) the Company has filed a prospectus with the regulator in Manitoba with respect to the Shares you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the Shares for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

## **ITEM 11 - PURCHASERS' RIGHTS**

If you purchase these Shares you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer. The following summaries of investors' legal rights are subject to the express provisions of the securities laws of the applicable province or territory in which they are resident, and reference is made thereto for the complete text of such provisions. The rights of action described below are in addition to and without derogation from any right or remedy available at law to the investor and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defenses contained therein.

### **11.1 Two Day Cancellation Right**

You can cancel your agreement to purchase Shares. To do so, you must send a notice to the Company's head office by midnight on the second business day after you sign the agreement to buy Shares.

### **11.2 Statutory Rights of Action in the Event of a Misrepresentation**

For purposes of the following summaries, "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made. A "material fact" means a fact that significantly affects or would reasonably be expected to have a significant effect on, the market price or value of the Shares.

#### ***British Columbia***

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every person who was a director or acting in a similar capacity of

the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the Shares.

### ***Alberta***

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the Shares.

### ***Saskatchewan***

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every promoter and director of the Company as at the date of this Offering Memorandum, every person whose consent has been filed respecting the offering but only with respect to reports, opinions and statements made by that person, every other person who signed this Offering Memorandum and every person who sells securities on behalf of the Company under this Offering Memorandum. These statutory rights are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the



Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the day you purchased the Shares.

### ***Manitoba***

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares; or
- (b) for damages against the Company, every person director of the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

These statutory rights are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or 2 years after the day you purchased the Shares.

### ***Ontario***

If you are a resident of Ontario and if there is a misrepresentation in this Offering Memorandum, and you purchased the Shares offered by this Offering Memorandum during the period of distribution, you have, without regard to whether the purchaser relied on the misrepresentation, the following rights:

- (a) of action for damages against the Company, or
- (b) where you purchased the Shares from the Company, you may elect to exercise a right of rescission against the Company, in which case you have no right of action for damages against the Company.

The Company will not be held liable under this paragraph if you purchased the Shares with the knowledge of the misrepresentation. In an action for damages, the Company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the Shares were sold to you.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the Shares.

## **Quebec**

In addition to any other right or remedy available to you at law, if this Offering Memorandum is delivered to you as a resident of Quebec and contains a misrepresentation, you will have: (1) statutory rights under Quebec legislation; or (2) contractual rights in circumstances where the Quebec legislation does not provide such rights, as follows:

- (a) a right of action for damages against the Company, every director or officer of the Company, any expert whose opinion, containing a misrepresentation, appeared, with his consent, in this Offering Memorandum, the dealer (if any) under contract to the Company and any person who is required to sign the certificate of attestation in this Offering Memorandum, or
- (b) a right of action against the Company for rescission of the purchase contract or revision of the price at which Shares were sold to you.

However, there are various defences available to the persons or companies that you have a right to sue. Among other defences, no person or Company will be liable if it proves that:

- (a) you purchased the Shares with knowledge of the misrepresentation, or
- (b) in an action for damages, that they acted prudently and diligently (except in an action brought against the Company).

No action may be commenced to enforce such a right of action:

- (a) for rescission or revision of price more than three years after the date of the purchase, or
- (b) for damages later than three years after you first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to your negligence.

## **Nova Scotia**

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, or any amendment thereto, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

These statutory rights to sue are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the Shares.

### ***New Brunswick***

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company or the seller to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum, every person who signed this Offering Memorandum.

The Company will not be held liable under this paragraph if you purchased the Shares with the knowledge of the misrepresentation. In an action for damages, the Company will not be liable for all or any portion of such damages that they prove do not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the Shares were sold to you. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the day you purchased the Shares.

### ***Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon or Nunavut***

If you are a resident of Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to rescind your agreement to buy these Shares, or
- (b) for damages against the Company, every person who was a director at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

These statutory rights are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Shares. Additionally, if you elect to exercise a right of rescission against the Company, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to rescind the agreement within 180 days after the date that you purchased the Shares. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or 3 years after the day you purchased the Shares.

### **ITEM 12 - Audited Financial Statements**

BNSELLIT TECHNOLOGY INC.  
Financial Statements  
February 5, 2021

## **Independent Auditors' Report**

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To the Shareholders and the Board of Directors of BSELLIT TECHNOLOGY INC. (the "Company").

### **Opinion**

We have audited financial statements of BSELLIT TECHNOLOGY INC. (the "Company"), which comprise the statement of financial position as at February 5, 2021, and the statements of comprehensive income, changes in equity and cash flows for the period ended February 5, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 5, 2021, and its financial performance and cash flows for the year ended February 5, 2021 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to Note 8.1 of the financial statements which outlines the offering that BSELLIT TECHNOLOGY INC. is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*Rice & Company LLP*

Chartered Professional Accountants

Calgary, Canada

February 22, 2021

**BNSELLIT TECHNOLOGY INC.**

Statement of Financial Position

As at February 5, 2021

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	<b>2020</b>
<b>Assets</b>	<b>Notes</b>
<b>Current asset</b>	
Cash	\$ <u>    1</u>
<b>Total assets</b>	\$ <u><u>    1</u></u>
<b>Liabilities &amp; Shareholders' Equity</b>	
Shareholders' capital	\$ <u>    1</u>
<b>Total liabilities and shareholders' equity</b>	\$ <u><u>    1</u></u>

General business description 1

Subsequent events 8

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

These financial statements were approved by the Board of Director's of the Corporation on February 22, 2021.

\_\_\_\_\_  
(Signed "Evan Baergen") , Director      \_\_\_\_\_  
(Signed "Dwight Martin") , Director



**BNSELLIT TECHNOLOGY INC.**

Statement of Comprehensive Income

For the Period from Incorporation on February 4, 2021 to February 5, 2021

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**Notes**

**Total comprehensive income for the period**

7    \$           -

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

## **BNSELLIT TECHNOLOGY INC.**

Statement of Changes in Shareholders' Equity

For the Period from Incorporation on February 4, 2021 to February 5, 2021

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	<b>Notes</b>	<b>Number of Shares</b>	<b>Share Capital Stated Value</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
Series 1 Class A Common Shares issued		100	\$ 1	\$ -	1
Income for the period		-	-	-	-
<b>Balance at February 5, 2021</b>		<u>100</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>1</u>

- 1 The Company has an unlimited number of Class A Common share and an unlimited number of Class B Common Shares.

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

**BNSELLIT TECHNOLOGY INC.**

Statement of Cash Flows

For the Period from Incorporation on February 4, 2021 to February 5, 2021

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**Cash provided by (used in):**

**Cash flows from financing activities**

Proceeds on issuance of share capital

\$ 1

**Net cash provided by financing activities**

1

**Change in cash, end of period cash**

\$ 1

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

## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### 1. General business description

BSELLIT TECHNOLOGY INC. (the “Company”) is a corporation incorporated under the Business Corporations Act (Alberta) on February 4, 2021. The head office address of the Company is 210, 2020 - 4 Street SW, Calgary, AB, T2S 1W3.

The Company is in the start-up phase of development and does not yet have active operations. Since the date of incorporation, the Company has prepared an Offering Memorandum for its Class B shares (the “Offering”), which has included, among other things, putting in place a management team, a board of directors, retaining legal counsel and searching for investors.

Concurrent with the closing of the Offering, the Company intends to make an election under the Income Tax Act (Canada) to be treated as a “Public Corporation” for the purposes of the Act, with the goal of earning income from property.

### 2. Basis of presentation

#### 2.1 Statement of compliance

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

The financial statements were authorized for issue by the Directors of the Company on February 22, 2021.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for items where an alternative basis is required by IFRS. Details on these items are included below in Note 3, Significant Accounting Policies.

#### 2.3 Functional and presentation currency

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

#### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4, Critical Accounting Estimates and Assumptions.

## **BSELLIT TECHNOLOGY INC.**

### Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

#### 3. Significant accounting policies

As a new entity, the Company has adopted all IFRS issued and effective as of February 4, 2021. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### 3.1 Significant accounting policies

Cash comprises of cash on hand.

##### 3.2 Financial instruments

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

###### 3.2.1 Financial assets

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

- Assets carried at amortized cost (“Amortized Cost”)
- Assets carried at fair value through other comprehensive income (“FVOCI”)
- Assets carried at fair value through profit and loss (“FVTPL”)

The classification depends on both the Company's business model for managing the financial instrument and the contractual terms of the instrument itself.

A financial asset is classified as Amortized Cost if the objective of the business model is to hold the financial asset for the collection of the cash flows, and all contractual cash flows represent only principal and interest on that principal.

A financial asset is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset gives rise to cash flows on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All financial assets that do not meet the criteria to be classified as Amortized Cost or FVOCI are classified as FVTPL, this includes all derivative financial assets. The Company may make an irrevocable election to designate a financial asset that would otherwise be classified in another category as FVTPL. If the election is made it is irrevocable, meaning that asset must remain categorized as FVTPL until that asset is derecognized.

## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### Recognition and derecognition

Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Company has transferred substantially all risks and rewards of ownership.

### Measurement

Financial assets carried at Amortized Cost or FVOCI are initially measured at their fair value plus transaction costs. Financial assets carried at FVTPL are initially measured at their value, with any associated transaction costs being immediately expensed through profit or loss.

Subsequent measurement of financial assets depends on the category the asset has been assigned to.

Gains or losses on assets carried at Amortized Cost are recorded in profit or loss upon derecognition, or earlier if the asset is impaired.

Gains or losses on assets carried at FVOCI are recorded in other comprehensive income, except for impairment, interest, dividend and foreign exchange related gains and losses, which are recorded in profit or loss. Upon derecognition of an asset categorized as FVOCI, the net gains or losses related to the asset previously recorded in other comprehensive income are reclassified to profit or loss.

Gains or losses on assets carried at FVTPL are recorded in profit or loss in the period in which they occur.

### Impairment

The Company addresses at each reporting date whether there is objective evidence that a financial asset, other than those carried at FVTPL, or a group of financial assets, is impaired. When impairment has occurred, the carrying amount of the financial asset is reduced by the impairment loss directly and the loss is recognized in profit and loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For financial assets carried at Amortized Cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate. An

## **BSELLIT TECHNOLOGY INC.**

### Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

impairment loss on financial assets carried at Amortized Cost can be reversed if the reversal can be related objectively to an event occurring after the impairment was recognized. In such cases, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an asset carried at FVOCI is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive loss are reclassified to the profit or loss in the period. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

#### **3.2.2 Financial liabilities**

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

Financial liabilities are removed from the statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### **3.2.3 Financial Instrument Classification summary**

Based on the above policies, the Company has chosen to classify its financial instruments as follows:

<b>Financial Instrument</b>	<b>Measurement Category</b>
Cash	Fair value

#### **3.3 Related party transactions**

All related party transactions and balances must be disclosed in the financial statements. This includes descriptions and amounts of the transactions, the amount of any outstanding balances and associated terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### 3.4 Revenue recognition

The Company had no revenue sources at period end.

When the Company enters into sales contracts in the future it shall recognize revenue in accordance with IFRS 15 by applying the following 5 steps:

- Identify the contracts with the customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

### 3.5 Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## 4. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions are continuously assessed, considering historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, given the Company's current operations as of February 5, 2021, no critical estimates have been made.

## 5. Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy:



## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### Level 1

Items that are classified at level 1 have their fair values determined by reference to quoted prices in active markets for identical assets and liabilities.

### Level 2

Items that are classified at level 2 have their fair values determined using inputs other than quoted prices, for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices.

### Level 3

Items that are classified at level 3 have their fair values determined using inputs that are unobservable and significant to the overall fair value measurement.

The designation of the Company's assets and liabilities which require the assessment of fair value are as follows:

- Cash, Level 1

## 6. Financial risk management

### 6.1 Overview

The Company's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and,
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

## **BNSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### 6.2 Credit risk

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.

The maximum exposure to credit risk at February 5, 2021 is as follows:

<b>Carrying value at February 5</b>	<b>2021</b>
Cash	\$1

Cash consists of cash bank balances. The Company will manage the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

### 6.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions.

The Company did not have any financial liabilities at February 5, 2021.

### 6.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's net income or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

#### *Interest rate risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company does not currently have any interest-bearing debt, the Company is not exposed to interest rate risk.

The Company had no interest rate swaps or financial contracts in place as at or during the period ended February 5, 2021.

### 6.5 Capital management

The Company's capital management policy is to maintain a strong capital base that optimizes the Company's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its unitholders. The Company intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the

## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

Company's early stage of development and the requirement to sustain future development of the business.

The Company will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Company currently has no debt outstanding and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Company is not subject to externally imposed capital requirements.

### 7. Comprehensive income

No revenue or expenses were incurred during the period ended February 5, 2021. The audit fees incurred were paid by Axiom Advisors Inc., a related company through common directors. The legal fees incurred were paid by a shareholder of the Company. All related party transactions are with the agreement that they will not be repaid for the expenses by the Company.

### 8. Subsequent events

#### 8.1 Offering Memorandum

The Company has prepared an offering memorandum for the Class B non-voting commons shares ("Class B Shares" or "shares"), with an aggregate minimum of 75,000 shares at a price of \$1 per share for total gross proceeds of \$75,000 and a maximum of 100,000 shares at a price of \$1 per share for total gross proceeds of \$100,000.

Subscribers must each subscribe for 500 Shares for a subscription amount of \$500. Subscribers may not subscribe for additional Shares.

The Shares, as a class, have the following rights, privileges, restrictions and conditions:

- (a) No right to vote at meetings of the shareholders of the Company;
- (b) The right to receive dividends as fixed by the board of directors; and
- (c) The right, upon the liquidation or winding-up of the Company, to share in the remaining property of the Company pro rata with the Class A common shares.

Concurrent with the offering, the management team intends to pursue a Business Opportunity that will utilize the Corporations status as a Public Corporation. The management team intends to

## **BSELLIT TECHNOLOGY INC.**

Notes to the Financial Statements

For the period from incorporation on February 4, 2021 to February 5, 2021

### 8. Subsequent events (continued)

pursue an opportunity to purchase assets or shares of a company that is seeking a listing on a public stock exchange. If management is successful and upon the closing of the Go Public Transaction by the Corporation, the Subscriber agrees to exchange 100 Class B Shares purchased under the Offering Memorandum for 1,000 Class A Common Voting Shares of the Corporation.

## ITEM 13 - DATE AND CERTIFICATE

Dated: February 23, 2021

This Offering Memorandum does not contain a misrepresentation.

(signed) L. Evan Baergen

L. Evan Baergen, CEO

ON BEHALF OF THE BOARD OF DIRECTORS OF BNSSELLIT TECHNOLOGY INC.

(signed) Dwight Martin

Dwight Martin, Director

(signed) L. Evan Baergen

L. Evan Baergen, Director

**SCHEDULE A**  
**BSELLIT TECHNOLOGY INC.**  
**SUBSCRIPTION AGREEMENT**