CSE FORM 2A LISTING STATEMENT

StickIt Technologies Inc.

(the "Issuer" or the "Company")

October 25, 2023

The Company's final long form prospectus dated October 24, 2023 (the "**Final Prospectus**"), which was filed under the Company's profile on SEDAR+ (www.sedarplus.ca), forms a part of this Listing Statement and is attached hereto as Appendix "A".

This Listing Statement constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia and is current as at the date of this Listing Statement.

Dated at Vancouver, British Columbia this 25th day of October, 2023.

/s/ "Eli Ben-Haroosh"	*/s/ "Sophya Galper-Komet"*
Eli Ben-Haroosh	Sophya Galper Komet
President, Chief Executive Officer	Chief Financial Officer
/s/ "Asher Holzer"	*/s/ "Steven Glaser"*
Asher Holzer	Steven Glaser
Executive Chairman and Director	Director

APPENDIX “A”

FINAL PROSPECTUS

[see attached]

A copy of this p prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia but has not yet become final for the purpose of the sale of securities. Information contained in this prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities in British Columbia.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This prospectus does not constitute a public offering of securities.

FINAL PROSPECTUS

Non-Offering Prospectus | STICKIT | **October 24, 2023**

No securities are being offered pursuant to this Prospectus.

This non-offering prospectus (the "**Prospectus**") of StickIt Technologies Inc. (formerly Aquazoom Hydropower Solutions Inc.) (the **"Company"**) is being filed with the British Columbia Securities Commission (**"BCSC"** or the **"Commission"**) for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia. Upon the final receipt of this Prospectus by the Commissions, the Company will become a reporting issuer in British Columbia.

Since no securities are being offered or sold pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

This Prospectus is being filed in connection with the acquisition (the "**Acquisition**") by the Company of StickIt Ltd. ("**StickIt**"), which became a wholly-owned subsidiary of the Company upon completion of the Acquisition (the **"Resulting Issuer"**). The Acquisitions was effected by way of a three-corenered amalgamation. In consideration for the Acquisition, the Company issued common shares in the capital of the Company (the "**Common Shares**") to the shareholders of StickIt.

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 markets; the transparency and availability of trading prices; the liquidity of the Company's securities and the extent of issuer regulations. See "Risk Factors".

Concurrently with the filing of this Prospectus, the Company applies to list its issued and outstanding Common Shares on the Canadian Securities Exchange (the **"Exchange"** or **"CSE"**). The CSE has conditionally approved the listing of the Common Shares. The listing is still subject to the Company fulfilling all the listing requirements of the Exchange. There is no guarantee that the CSE will provide approval for the listing of the Common Shares.

As at the date of this Prospectus, neither the Company nor StickIt have any of its securities listed or quoted, have not applied to list or quote any of their securities, and do not intend to apply to list or quote any of their securities, on the Toronto Stock Exchange, Aequitas Neo Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

An investment in the securities of the Company is subject to a number of risks. The Company does not have an active business. The Company must close the Acquisition with StickIt such that the shareholders of StickIt become shareholders of the Company. The Closing of the Acquisition is subject to a number of conditions, including the Company receiving conditional approval for the Listing. Investors should carefully consider the risk factors described under "*Risk Factors*" before purchasing any securities of the Company.

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

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

Investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. The information contained in the Prospectus is accurate only as of the date of this Prospectus.

The registered office of the Company is be located at Vancouver, BC, Canada, and its head office is located at Dalton Hills, Gili, Israel.

StickIt, Mr. Tzach Kasuto (expert) and Messrs. Eli Ben-Haroosh and Asher Holzer (directors and officers of the Company), are incorporated, continued, resident or organized under the laws of a foreign jurisdiction or reside outside of Canada.

StickIt, Eli Ben-Haroosh and Asher Holzer have appointed the following agent of service of process:

Tanya Markovich Law Corporation
Suite 500 – 666 Burrard Street
Vancouver, BC V6C 3P6

However, investors are advised that it may not be possible to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company, through its US subsidiary, expects to derive a portion of its revenues from the cannabis industry in certain states of the United States of America ("U.S.") which have legalized such activity. While the Company is not expected to directly cultivate, distribute or dispense cannabis or any cannabis derivatives in U.S., it has entered into commercial arrangements with third parties who are involved in the U.S. cannabis industry. Therefore, the Company will consider itself a "U.S. Marijuana Issuer" with material ancillary involvement with the U.S. cannabis industry, as defined and described in Staff Notice 51-352. The Company's ancillary involvement will arise from its involvement in its US subsidiary, where SitckIt currently holds 50% and an additional 50% are held by a U.S. manufacturer and distributor who is duly licensed to legally cultivate, process and distribute medical and/or adult-use cannabis and cannabis derivatives in order to manufacture StickIt's cannabis-infused Extra-C sticks in certain U.S. states which have legalized such activity. StickIt expects to contribute to its US subsidiary its proprietary technology for Extra-C sticks production and upon the beginning of the Extra-C sticks distribution in the U.S.. The U.S. subsidiary expects to earn revenue to be received from the sale of Extra-C sticks by a third-party licensed distributor.

Having said this, the cannabis industry is illegal under U.S. federal law and enforcement of relevant federal laws is a significant risk. As of the date of this Prospectus, neither the Company nor StickIt, has commenced producing its products in United States and therefore do not have any balance sheet or operating statement exposure to U.S marijuana-related activities.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus in connection with the issue and sale of the securities offered hereunder.

TABLE OF CONTENTS

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise the terms "we", "us", or "our", refer to StickIt Technologies Inc. or StickIt, as the context requires.

Certain capitalized and other terms and phrases used in this Prospectus are defined in the "*Glossary*".

An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. Neither the Company nor StickIt has authorized anyone to provide investors with additional or different information. The information contained on StckIt's website at www.stickit-labs.com is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information. Any graphs, tables or other information demonstrating the historical performance of the Company or StickIt or of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of future performance or the future performance of such entities. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated.

CURRENCY, FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars and are referred to as "Canadian Dollars" or "$". References to "NIS" are to Israeli New Shekels and references to "USD" are to U.S. Dollars.

This Prospectus contains: (i) the unaudited interim financial statements for the Company for three-months period ended May 31, 2023; (ii) the audited financial statement for the Company for the eight months period ended February 28, 2023 and one month period ended July 7, 2022 (iii) the unaudited interim financial statement for StickIt for the six months period ended July 31, 2023; and (iv) the audited financial statements of StickIt for the year ended December 31, 2022 (collectively, the "**Financial Statements**"), all prepared in accordance with IFRS. The financial year end of the Resulting Issuer is proposed to be December 31.

The following table sets out the exchange rates for Canadian dollars per U.S, dollar (denoted as USD) in effect at the end of the following periods based on the Bank of Canada spot rate of exchange (as reported by the Bank of Canada, obtained from: https://www.bankofcanada.ca):

USD	**Year Ended December 31, 2021**	**Year Ended December 31, 2022**	**Six-months Ended June 30, 2023**
Closing	1.2678	1.3544	1.3240
High	1.2942	1.3856	1.3807
Low	1.2040	1.2451	1.3151
Average	1.2535	1.3013	1.3477

On June 31, 2023, the closing spot rate for U.S. dollars reported by the Bank of Canada was USD 1.00 = CAD 1.3240. For the convenience of the reader, the reported USD dollars amounts have been translated into CAD, at the representative rate of exchange on June 30, 2023 (USD 1.00 = CAD 1.3240).

The following table sets out the exchange rates for Canadian dollars per New Israeli Shekel (denoted as ₪ or NIS) in effect at the end of the following periods based on the Bank of Israel spot rate of exchange (as reported by the Bank of Israel, obtained from: http://www.boi.org.il):

NIS	**Year Ended December 31, 2021**	**Year Ended December 31, 2022**	**Six months Ended June 30, 2023**
Closing	2.4424	2.5966	2.7898
High	2.7199	2.7274	2.7898
Low	2.4272	2.4268	2.5202
Average	2.5767	2.5813	2.6662

On June 30, 2023, the closing spot rate for Canadian dollars reported by the Bank of Israel was CAD1.00 = 2.789843 NIS. For the convenience of the reader, the reported NIS amounts have been translated into CAD, at the representative rate of exchange on June 30, 2023 (CAD 1.00 = NIS 2.7898).

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for the statements of historical fact contained herein, the information presented in this Prospectus and the information incorporated by reference herein, constitutes "*forward-looking information*" within the meaning of applicable Canadian securities law concerning the business, operations and financial performance and condition of the Company. Often, but not always, forward-looking information can be identified by words such as "*pro forma*", "*plans*", "*expects*", "*may*", "*should*", "*budget*", "*scheduled*", "*estimates*", "*forecasts*", "*intends*", "*anticipates*", "*believes*", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. This forward looking information includes, without limitations, statements relating to: the expenses of the Closing of the Acquisition; the Listing of the Company on the CSE and matters related thereto; the intentions, plans and future actions of the Company or StickIt; statements relating to the business and future activities of the Company or StickIt; anticipated developments in the operations of the Company or StickIt; market position, ability to compete and future financial or operating performance of the Company or StickIt; the timing and amount of funding required to execute the Company's or StickIt's business plans, Company's or StickIt's ability to keep pace with changing consumer preferences, Company's or StickIt's ongoing ability to conduct business in the regulatory environments in which it operates and may operate in the future; capital expenditures; the effect on the Company or StickIt of any changes to existing or new legislation or policy or government regulation; the stability of business conditions in foreign jurisdictions; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; proposed use of available funds; expectations regarding revenues, expenses and anticipated cash needs.

Readers are cautioned not to place undue reliance on forward-looking information. Statements containing forward looking information are not historical facts. The Company and StickIt have based these forward looking statements on their current expectations and projections about future events and financial trends that they believe might affect the Company's or StickIt's financial condition, results of operations, business strategy, and financial needs. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or StickIt to differ materially from any future results, performance or achievements expressed or implied by forward-looking information.

We believe that these risks and uncertainties include, but are not limited to, those described or referenced in the *"Risk Factors"* section. These factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus. 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 the forward looking statements. Given these risks and uncertainties, you are cautioned not to place substantial weight or undue reliance on these forward-looking statements when making an investment decision.

Information contained in forward looking statements in this Prospectus is provided as of the date of this Prospectus, and we disclaim any obligation to update any forward looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws.

The Company does not assume the obligation to update any forward-looking information, except as required by applicable law. This cautionary statement qualifies all forward-looking statements and information in this document.

MARKET AND INDUSTRY DATA

This Prospectus includes market, industry, and economic data which was obtained from various publicly available sources and other sources as well as data prepared by the management of StickIt on the basis of its knowledge of and experience in the industry in which StickIt operates (including management's estimates and assumptions relating to the industry based on that knowledge). StickIt management's knowledge of the industry has been developed through its experience and participation in the industry. Although our management believes it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. We believe that our market, industry, and economic data are accurate and that our estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and we do not make any representation as to the accuracy or completeness of such information.

GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this Prospectus:

"**Acquisition**" means the the series of transactions between Stickit and the Company, as detailed in the Amalgamation Agreement;

"**Affiliate**" has the meaning ascribed to it under the *Securities Act* (British Columbia).

"Amalgamation Agreement" means the business combination agreement entered into between the Company and StickIt on September 13, 2022, as amended, supplemented and/or restated from time to time, in accordance with its terms.

"**Articles**" means the notice of articles and articles of the Company.

"**Audit Committee**" means the anticipated Audit Committee of the Resulting Issuer constituted in accordance with NI 52-110.

"**Associate**" has the meaning ascribed to it under the *Securities Act* (British Columbia).

"BCBCA" means the *Business Corporations Act* (British Columbia) as the same has been and may hereafter from time to time be amended;

"Business Day" means any day, excluding Saturday or Sunday, on which banking institutions are open for business in Vancouver, British Columbia, Canada and Tel-Aviv, Israel;

"**BCSC**" means the British Columbia Securities Commission.

"**Board of Directors**" or "**Board**" means the board of directors of the Company or the Resulting Issuer, as the context requires.

"**CBD**" means Cannabidiol;

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

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

"**Closing Date**" means the date of the Closing of the Acquisition.

"**Closing of the Acquisition**" means the completion of the Acquisition in accordance with the Amalgamation Agreement.

"**Company**" means StickIt Technologies Inc. (formerly, known as Aquazoom Hydropower Solutions Inc.), a corporation incorporated under the BCBCA, prior to the Closing of the Acquisition.

"**Certificate of Merger**" means the certificate in respect of the Merger issued by the Israeli Registrar of Companies;

"**Common Shares**" means the common shares in the capital of the Company or the Resulting Issuer, as the context requires.

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

"**CSE Escrow Agreement**" means the escrow agreement to be entered into prior to the Listing, among the Company, the Escrow Agent and certain security holders of the Company pursuant to NP 46-201.

"**CSE Escrow Securities**" means the Common Shares that are held in escrow pursuant to the CSE Escrow Agreement.

"**Escrow Agent**" means Endeavor Trust Corporation;

"**Extra-C**" means a patent-pending smoking utensils (currently a CBD stick made from condensed cannabis oil) in a specific matrix that gives the product its rigidity, similar to a toothpick, that can be easily inserted into any regular cigarette;

"**Financial Statements**" has the meaning set out under the heading "*Currency, Financial Information and Accounting Principles*".

"Finder Warrants" means a total of 23,232 share purchase warrants of the Company to be issued to various individual and corporate third party independent finders in connection with the issuance of the Company to the Israeli subscribers introduces by such third party independent finders pursuant to the terms of the concurrent financing;

"HHC" means Hexahydrocannabinol;

"**IFRS**" means International Financial Reporting Standards applicable as at the relevant date;

"**Insider**" has the meaning ascribed to it under the securities laws and regulatory policies applicable to the Province of British Columbia;

"**IP**" means intellectual property;

"**Israeli Companies Law**" means the Israeli Companies Law, 5759-1999, as it will be amended from time to time, and all of the regulations that have been or will be enacted thereunder, as they will be enacted from time to time;

"**Israeli Registrar of Companies**" means the Government Authority in the State of Israel responsible for the supervision, registration and enforcement over corporations in Israel;

"**Listing**" means the proposed listing of the Common Shares on the CSE;

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the CSE;

"**MD&A**" means Management's Discussion and Analysis included in this Prospectus;

"**Named Executive Officers**" or "**NEOs**" means the CEO and CFO and the next three next most highly compensated executive officers who are currently serving as executive officers.

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

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*;

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

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

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

"**Option Plan**" means the Company's 2023 equity incentive plan, adopted by the respective boards and StickIt and Aquazoom shareholders at a special general meeting held on September 27, 2023 and October 18, 2023 respectively, providing for the granting of incentive options and RSUs to the Resulting Issuer's directors, officers, employees, and consultants in accordance with applicable Israeli law and the rules and policies of CSE;

"**Options**" means incentive options to acquire Common Shares;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or

(d) a 10% holder – a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

"**Prospectus**" means thisprospectus;

"**Resulting Issuer**" means the Company, as specifically referred to in this Prospectus, following the Closing of the Acquisition.

"RSUs" means a restricted share unit that may be issued pursuant to the Option Plan;

"**Stickit**" means Stickit Ltd., limited liability company number 516091360, a company existing under the laws of the State of Israel;

"**Stickit Convertible Securities**" means, collectively, the Stickit Options and the Stickit Warrants;

"**Stickit Options**" means the stock options to purchase Stickit Shares granted to Stickit's directors, officers, employees, contractors and other eligible persons, of which, as of the date of this Prospectus, there are 33,253 Stickit Options issued and outstanding, all of which are held by the Israeli Trustee, including as required under section 102 to Tax Ordinance and under the Plan. The StickIt Options are expected to be exchanged with Options under the Option Plan at the Exchange Ratio (defined below);

"**Stickit Shareholder**" means a registered holder of Stickit Shares, from time to time, and "Stickit Shareholders" means all such holders;

"**Stickit Shares**" means the ordinary shares in the capital of Stickit;

"**Stickit Subsidiaries**" means Stickit Labs, S.L., Registration No. 21097518, incorporated under the laws of Spain, Stick-It USA, Inc. incorporated under the laws of the State of Delaware with out-of-state registration in the State of California and STICKIT Thailand Company Ltd. incorporated under the laws of the Thailand with out-of-state registration in Thailand;

"**Stickit Warrants**" means the ordinary share purchase warrants of Stickit of which, as of the date of this Prospectus, there are 64,012 Stickit Warrants issued and outstanding. Any StickIt warrants remaining unexercised immediately prior to completion of the Listing shall expire and be of no force and effect in accordance with respect to their terms;

"**Subco**" means Aquazoom Merger Ltd., a corporation incorporated under the laws of the State of Israel as a wholly-owned Subsidiary of the Company for the sole purpose of effecting the Acquisition;

"**Subco Shares**" means the ordinary shares in the capital of Subco;

"**Subsidiary**" has the meaning ascribed thereto in the BCBCA;

"**Tax Act**" means *Income Tax Act* (Canada);

“Terpenes” means naturally occurring chemical compounds found in plants, fruits, herbs and some animals, that are resposible for smell; and

“**THC**” means delta 9 tetrahydrocannabinol.

PROSPECTUS SUMMARY

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

The Company: The Company was incorporated under the Business Corporations Act (British Columbia) on March 11, 2021 as a wholly owned subsidiary of Explorinvest Capital Corp. under the name "Aquazoom Hydropower Solutions Inc.".

On April 1, 2021, Explorinvest and AquaZoom AG (a developer of small-scale (15-100 kilowatts) vortex hydropower plants in the United Kingdom) entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and AquaZoom AG to form an issuer to commence operations in business to implement hydro vortex technology in sustainable power generation projects. Explorinvest received shareholder approval to the arrangement at an annual general and special meeting of shareholders held on December 17, 2021, and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. The LOI expired pursuant to section 4.1(a) due to the fact that no definitive agreement was executed by the parties on or before November 30, 2021. Shares for the plan of arrangement have been issued on July 7, 2022.

On September 13, 2022, the Company and StickIt entered into a business combination agreement (the "**Agreement**") pursuant to which the Company would acquire all of the issued and outstanding shares in the capital of StickIt ("**StickIt Shares**") by way of a three-cornered amalgamation. On October 23, 2023, Aquazoom Hydropower Solutions Inc. closed the Acquisition, amended the Articles of the Company and changed its name to "StickIt Technologies Inc.".

The sole business of the Company from the date of its incorporation until executing the Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the Closing of the Acquisition, the Company did not have a business, business operations or any material assets other than cash. Following the Closing of the Acquisition, the Company continues the business of StickIt.

The Company's registered office is located at Suite 500 – 666 Burrard Street, Vancouver, BC V6C 3P6.

For further details, see "*Business of the Company Prior to the Closing of the Acquisition*".

StickIt: StickIt was incorporated on October 2, 2019 under incorporation number 516091360 in Israel under the Israeli Company Act and is a private technology company existing under the laws of the State of Israel. StickIt's primary business is the technological development and manufacturing of smoking utensils containing plant extracts and in particular the Extra-C sticks. Currently, derived from a proprietary production process, Extra-C stick offers condensed cannabis oil in a unique matrix giving it just the right rigidity, similar to a toothpick that instantly converts a regular cigarette into a cannabis/hemp cigarette. Once inserted, Extra-C stick burns at the same rate as the cigarette. Although StickIt considers itself to be a technology company, it relies on and/or is involved in the cannabis industry.

StickIt's product come in a wide range of tastes and flavors, as the Stickit technology allows for adding Terpenes and to the finished product. Products can be adjusted and produced with different concentrations of cannabinoids like CBD, THC, and CBG according to any local regulation. Endless flavors and aromas can also be added to specifically appeal to local consumers and allow any commercial, cultural or marketing adjustments to be easily made at any destination country.

StickIt's business is geared towards the development of smoking utensils technology. Following the Closing of the Acquisition, StckIt became a wholly-owned subsidiary of the Company.

StickIt's headquarters is located at Dalton Hills, Gili, Israel, 1381000. For further details, see "*Business of the Resulting Issuer*".

Acquisition:

On September 13, 2022, the Company and Stickit entered into a business combination agreement, pursuant to which, a wholly-owned subsidiary of the Company to be incorporated pursuant to the laws of Israel solely for that person, will amalgamate with StickIt.

The principal assets of StickIt are various patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes.

In accordance with the terms and conditions of the Agreement, Subco i amalgamated with StickIt, and in connection with the Acquisition, the Company issued 111.1357 Company Shares for each Stick Share (the "**Payment Shares**"), being approximately 87.61% of the issued and outstanding share capital of the Company post completion of the Acquisition, at a deemed price of $0.4304 per Payment Share, for aggregate deemed consideration of $49,997,010 on a non-diluted basis. Following the closing of the Acquisition, StickIt became a wholly-owned subsidiary of the Company. In addition, following the Closing, the Company issued (i) 23,232 Finder Warrants in connection with the Company's concurrent financing, and (ii) 5,342,404 incentive stock options to officers, director and employees of StickIt (111.1357 incentive Options in exchange for each currently outstanding StickIt Option). The terms of the exercise of the Options shall be consistent with the terms of the originally issued underlying StickIt securities. Each of the Finder Warrants will be exercisable into one common share of the Resulting Issuer at a price of $0.55 per Resulting Issuer Share for a period of 24 months from the date of issuance.

The Acquisition constitutes a reverse takeover transaction.

Following Closing of the Acquisition on October 23, 2023, the business of StickIt became the business of the Company. The Company owns 100% of StickIt and the StickIt Shareholders will became shareholders of the Company.

Concurrently with completion of the Acquisition, the Company completed a financing of $441,000.00. The financing consists of 1,024,628 subscription receipts at a price of $0.4304 each, converted on a 1:1 basis into the Company's shares.

The Acquisition was not a related party transaction under International Accounting Standard (IAS) 24.

For further details, see "*The Acquisition*".

Directors and Officers of the Company:

The board of directors of the Company (the "Board") is comprised of the following individuals: Eli Ben-Haroosh, Asher Holzer, Orit Berger, Steven Glaser and Sophya Galper-Komet.

The management of the Company consists of Eli Ben-Haroosh as Chief Executive Officer and Sophya Galper Komet as Chief Financial Officer and Corporate Secretary.

For further details, *see "Directors and Executive Officers".*

Use of Proceeds:

Upon the Closing of the Acquisition, the Company has a working capital of approximately $979,926.57 based on the pro forma working capital of the Company and StickIt as at September 30, 2023, comprised as follows:

Sources of Available Funds	**Available Funds ($)**
Working Capital of StickIt	694,000(1)
Working Capital of the Company	(50,617)
Company's Concurrent Financing Proceeds	441,000
Total pro forma working capital (unaudited)	1,084,393

Notes:

(1) Based on an exchange rate of 1 NIS = 0.36 CAD and 1USD = 1.3240 CAD.

Since founding, neither the Company nor StickIt has generated any positive cash flow from their respective operations and each of the Company and StickIt has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continue to be expended to pay its expenses.

The principal purposes for the foregoing available funds are anticipated to be as follows:

Description	Amount ($)[1]
To pay the estimated remaining costs of the Transaction (legal accounting, listing, etc.)	30,000
To pay management and employees compensation	413,000[2]
To pay estimated general and administrative costs for the next 12 months (including, without limitation, office, rent and utilities expenses)	395,965[3]
To fund research and development activities	50,000[4]
Unallocated funds	195,428
Total	1,084,393

Notes:

(1) Those amounts do not include any expected income from the sale of StickIt's Extra-C sticks;
(2) Management compensation (Messrs. Ben-Haroosh and Holzer and Ms. Sophya Galper-Komet) in the amount of $342,000 and employees' compensation in the amount of $71,000;
(3) Rent ($34,286), office expenses ($4,000), insurance ($100,000), audit ($31,250), accounting ($21,429), legal fees ($25,000), travel expenses ($30,000), business development expenses ($150,000); and
(4) StickIt is currently in the process of developing additional cannabinoid products - drinking straw, mixing stick and popsicle stick. This revolutionary line of cannabinoid products is designated for use in standard food and drinks, being a convenient way to enable people to consume cannabis, by simply inserting the active material into any existing drink or food. Stick It is currently in the process of developing prototypes for the proposed products above, and plans to use approximately $50,000 of unallocated funds to fund its research and development during the next 12 months.

TheCompany intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

For further details, see "*Use of Available Funds - Available Funds and Principal Purposes*".

Summary of Financial Information:

The following table sets forth selected pro forma financial information for the Resulting Issuer as at May 31, 2023, and should be read in conjunction with the unaudited finaical statements of the Company for the three-months period ended May 31, 2023, the audited financial statements of the Company for the eight months period ended February 28, 2023 and one month period ended July 7, 2022, the unaudited financial statements of StickIt for the six-month period ended June 30, 2023 and the audited financial statement of StickIt for the year ended December 31, 2022 and 2021, and the pro forma consolidated financial statements of the Resulting Issuer for the period ended May 31, 2023, attached hereto as Schedule "D".

Category	Company as at May 31, 2023 ($)	StickIt as at June 31, 2023 (thousands $)[1]	Pro Forma as at May 31, 2023 (thousands $)
Current Assets	100	839	839
Total Assets	100	864	864
Current Liabilities	50,617	171	222

Total Liabilities	50,617	171	221
Shareholders' Equity (deficit)	(50,617)	693	642

For further details, see the *Unaudited Pro Forma Statement of Financial Position of the Company as at May 31, 2023* included as Schedule "D" to this Prospectus and "*Financial Information and Management's Discussion and Analysis*".

Risk Factors: **An investment in the securities of the Company and StickIt should be considered highly speculative due to the nature of the Company's and StickIt's business and its stage of development and should be considered only by investors who can afford the total loss of their investment.** Investors should consult with their professional advisors to assess the income tax, legal and other aspects of an investment in the securities of the Company. In evaluating the securities, investors should carefully consider, together with all other information contained in this Prospects, a number of risk factors, including, without limitation, risks relating to the following:

- business and operating risks arising from the current armed conflict in Israel and the Gaza Strip;
- limited operating history and no history of revenue or earnings;
- the speculative nature of an investment in the Company, StickIt and the Resulting Issuer;
- Resulting Issuer's ability to maintain liquidity and manage future financing risk;
- limited sources of funds to engage in additional research and development;
- enforcement of judgments against foreign person;
- risk associated with foreign operations in other countries;
- increased expenses due to being a public company;
- foreign currency exchange fluctuation;
- product development and product liability;
- changing consumer preferences;
- dilution and future sales of the Resulting Issuer Shares;
- competition in smoking utensils industry, including, without limitation, in field of cannabis;
- reliance on third party distribution network, suppliers and manufacturers;
- insufficient intellectual property and failure to protect it from third parties;
- recruitment and retention of employees and executives;
- unfavourable publicity or consumer perception;
- economic, political and military instability in Israel;
- extensive and onerous compliance regimes in various jurisdictions;
- legal and regulatory risks associated with involvement in the cannabis industry in Israel, US, Canada and Europe;
- pandemics and health crises, including, without limitation, COVID-19;
- potential changes in laws and regulations
- liability for certain risks it cannot or may elect not to insure against
- conflict of interests and potential involvement of key personelle with potential competitors of the Company, StickIt or the Resulting Issuer;
- negative cash flow from operations;
- continual fluctuations in market prises of securities;

See "*Risk Factors*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the Business Corporations Act (British Columbia) on March 11, 2021 as a wholly owned subsidiary of Explorinvest Capital Corp. under the name “Aquazoom Hydropower Solutions Inc.”. On October 23, 2023, Aquazoom Hydropower Solutions Inc. changed its name to “StickIt Technologies Inc”. The head and registered of the Company is located at Suite 500 – 666 Burrard Street, Vancouver, BC V6C 3P6, Canada.

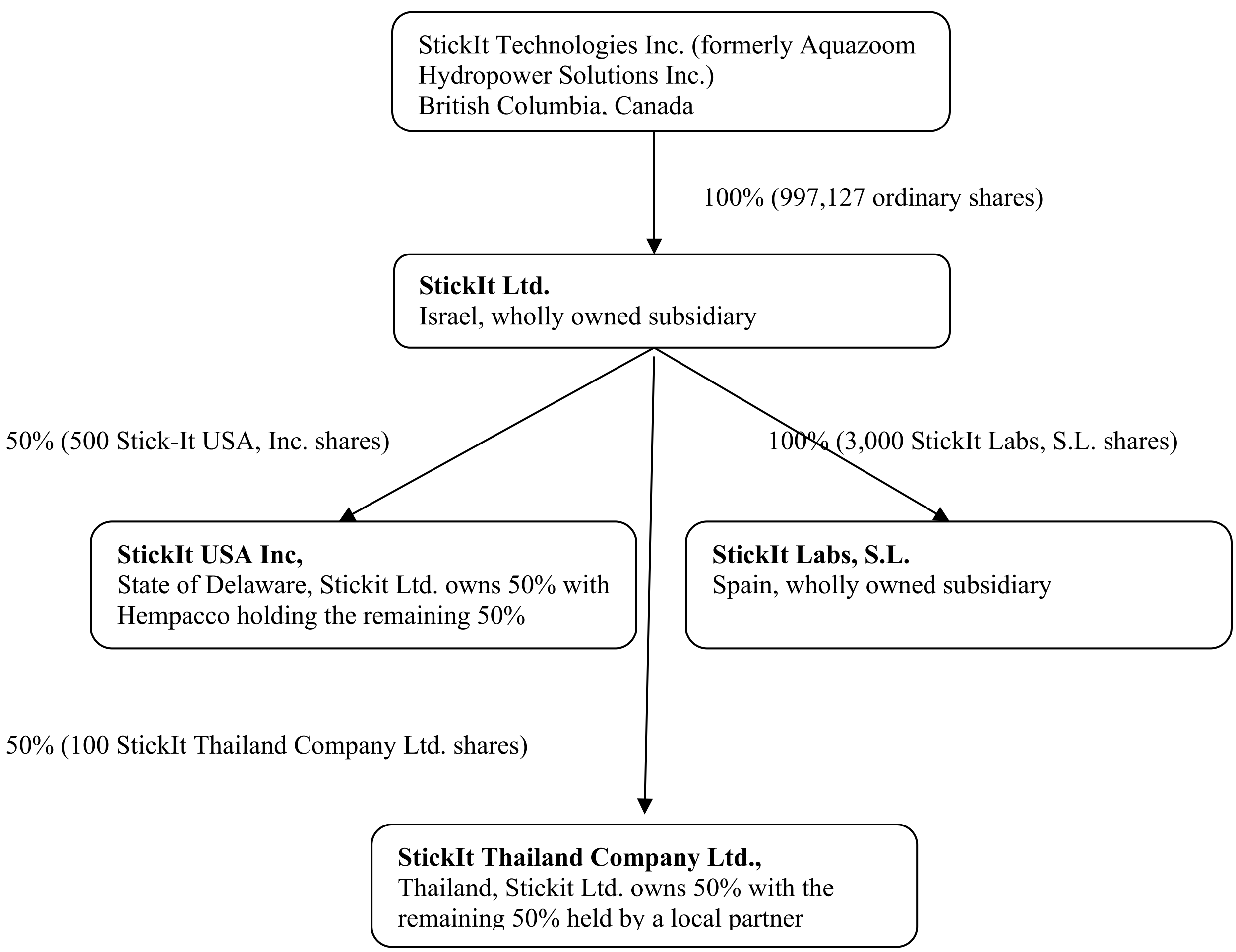
StickIt was incorporated on October 2, 2019 under incorporation number 516091360 in Israel under the Israeli Companies Law and is a private technology company existing under the laws of the State of Israel. The head and registered of StickIt is located at Dalton Hills, Gili, Israel, 1381000.

Following the Closing of the Acquisition, the registered office of the Company is located at Vancouver, BC Canada, and its head office is located at Dalton Hills, Gili, Israel, Israel.

Intercorporate Relationships

The Company sole subsidiary is StickIt.

The following chart identifies the corporate structure of the Company, including its material wholly owned subsidiaries following the Closing of the Acquisition, their applicable governing jurisdictions and the percentage of their voting securities that arebeneficially owned, or controlled or directed, directly or indirectly, by the Company:



BUSINESS OF THE COMPANY

General

Business of the Company Prior to Closing of the Acquisition

Prior to the Closing of the Acquisition, the Company had not conducted any material business since incorporation on March 11, 2021, other than pursuing its interests under the LOI and the Agreement.

The sole business of the Company from the date of its incorporation until executing the Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the Closing of the Acquisition, the Company did not have a business, business operations or any material assets other than cash. Following the Closing of the Acquisition, the Company continues the business of StickIt.

The Acquisition

On September 13, 2022, the Company and Stickit entered into a business combination Agreement, pursuant to which, a wholly-owned subsidiary of the Company to be incorporated pursuant to the laws of Israel solely for that person, will amalgamate with StickIt.

The principal assets of StickIt are various patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes.

In accordance with the terms and conditions of the Agreement, Subco is amalgamated with StickIt, and in connection with the Acquisition, the Company issued 111.1357 Company Shares for each Stick Share (the "**Payment Shares**"), being approximately 88.43% of the issued and outstanding share capital of the Company post completion of the Acquisition, at a deemed price of $0.4304 per Payment Share, for aggregate deemed consideration of 49,997,010 on a non-diluted basis. Following the closing of the Acquisition, StickIt became a wholly-owned subsidiary of the Company. In addition, following the Closing, the Company issued (i) 23,232 Finder Warrants in connection with the Company's concurrent financing, and (ii) 5,766,4295 incentive stock options to officers, director and employees of StickIt (111.1357 incentive Options in exchange for each currently outstanding StickIt Options). The terms of the exercise of and the Options shall be consistent with the terms of the originally issued underlying StickIt securities. Each of the Finder Warrants will be excercisable into one common share of the Resulting Issuer at a price of $0.55 per Resulting Issuer Share for a period of 24 months from the date of issuance.

The Acquisition constitutes a reverse takeover transaction.

Upon the Closing of the Acquisition on October 23, 2023, the business of StickIt became the business of the Company. The Company owns 100% of StickIt and the StickIt Shareholders became shareholders of the Company.

Concurrently with completion of the Acquisition, the Company completed a financing of $441,000.00. The financing consists of up to 1,024,628 subscription receipts at a price of $0.4304 each, converted on a 1:1 basis into the Company's shares.

The Acquisition is not a related party transaction under International Accounting Standard (IAS) 24.

The Company's Financings

A total of 100 incorporator shares were issued to Explorinvest for $100 on March 11, 2021 and on July 7, 2022 a total of 14,403,698 shares were issued to Explorinvest shareholders under the plan of arrangement in exchange for those 100 incorporation shares.

Concurrently with completion of the Acquisition, the Company completed a financing of $441,000.00. The financing consists of up to 1,024,628 subscription receipts at a price of $0.4304 each, converted on a 1:1 basis into the Company's shares

StickIt Financings

On March 25, 2021, StickIt concluded the public phase of its investment campaign in Israel through a crowd funding platform FundIt (2016) Ltd. In accordance with Israeli securities laws, and issued a total of 85,200 StickIT Shares to a total of 602 subscribers at a price of 35 NIS per StickIt Share.

Business of the Resulting Issuer

Following the Closing of the Acquisition, the business of StickIt became the business of the Company, which includes developing and selling smoking utensils containing plant extracts and in particular the Extra-C sticks.

Background of StickIt and Three-Year History

StickIt was incorporated on October 2, 2019 under incorporation number 516091360 in Israel under the Israeli Company Act and is a private technology company existing under the laws of the State of Israel. In 2021 StickIt completed development of its flagship Extra-C Stick product, including preparation and test of prototypes and preparation of a full production file detailing the ingredients and full production process and the types of machinery required. StickIt's Extra-C Stick has revolutionized administration of plant extracts and/or therapeutical compounds. StickIt's methods and utensils are provided for administration of plant extracts and/or therapeutic compounds at controlled amounts by using high temperature (including by burning/smoking and in honey complexes).

At the end of 2021 StickIt approached commercialization stage with a soft launch of its flagship Extra-C sticks in Europe. Subsequently, StickIt appointed distributors of its products in 20 European countries The above forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those set forth above, including the risks associated with the Resulting failing to obtain financing, dependence on suppliers, availability and market of cannabis and smoking devices products. Forward looking statements represent management's judgment, based on current circumstances at the date of this Prospectus. Although StickIt considers itself to be a technology company, it relies on and/or is involved in the cannabis industry.

On January 19, 2022 StickIt and Hempacco Co., Inc. ("**Hempacco**") entered into an arm's length joint venture agreement for the formation of Stick-It USA, Inc. under the laws of the State of Delaware ("**Stick-It USA**"), which will be held in equal parts by Stick-It and Hempacco. On September 7, 2022 the parties entered into an amendment to the Joint Venture Agreement. According to the Joint Venture Agreement and the amendment thereto Stick-It USA will engage in manufacturing, marketing and sale in the USA and Mexico of hemp smokable products, including StickIt's Extra-C sticks - a line of cannabinoid sticks for smokables. StickIt USA will rely on the licenses that Hempacco (its contract manufacturer) possess in order to perform the manufacturing and distribution. StickIt relies on Hampacco's contractual representations concerning performance in accordance with law. Hempacco is currently one of leaders in the production of herb and hemp cigarettes.

Subsequently, on December 19, 2022 and in anticipation of completion of the Acquisition, Aquazoom and Hempacco entered into an exclusive master distribution agreement, for the marketing and distribution by the Resulting Issuer of Hempacco's hemp smokable products and CBD products under various brands owned by Hempacco exclusively in the State of Israel and Canada and non-exclusively in Europe, provided the Resulting Issuer acquire the necessary licenses and permits, if required. The term of the exclusive master distribution agreement is 5 years plus one renewal term of 5 years.

StickIt continues to develop its wide range of products, including, without limitation, testing the products, experimenting new flavours, strengths and product configurations and working on new production method.

Since 2020 cannabis market experiences high volatility. Rapid adoption of HHC, driven by the decline in CBD's market value, brought about a transformative shift in the market landscape, as HHC made its entry into both European and U.S. markets and CBD sales decreased dramatically. In laboratory tests, HHC exhibits properties similar to CBD,

yet when consumed via smoking, it induces intoxicating effects akin to THC. HHC's introduction into the European market created an alternative to the wellness properties traditionally associated with CBD. Consequently, many CBD consumers shifted their preference to this novel substance, resulting in another round of price decreases and shifts in consumption patterns.

In late 2022, in response to shifting dynamics in the CBD market across Europe and the USA, StickIt sought to diversify its revenue streams and ventured into the sale of proprietary technology within manufacturing facilities. Rather than pursuing traditional methods of selling products through stores, distributors, and extensive local marketing efforts, StickIt opted to develop technology that could be integrated into local factories for the preparation and production of these products. Leveraging its marketing and distribution expertise, StickIt takes a flexible approach. The main source of StickIt's revenue is expected to come from three sources: (i) revenue from licensing – each of the licensees will pay the Company an annual license fee of $75,000 USD (CAD 99,270); (ii) product sales RevShare – the Resulting Issuer will be eligible for a 50% revenue share of all the products the licensees will sell under the license agreement, and (iii) raw materials sales – the Resulting Issuer will supply the licensees with proprietory raw materials needed for production and will be reimbursed for it.

In addition, to Hempacco joint venture, StickIt signed the following deals with local/international suppliers/points of sale:

- Joint Venture Agreement with Messrs. Yosef Lior Levy and Guy Shafrir (Thailand);
- Letter of intent with Canna Care Pharma Limited (UK);
- Letter of intent and frame agreement with Tabak Trafik (Austria);
- Letter of intent and frame agreement with Konopie.pl S.A (Poland), and other local suppliers/distributors.

In 2022 StickIt entered into a finder's fee agreement with various individual and corporate independent third-party finders. As compensation for introducing Israeli investors who invest in StickIt upon completion of Listing, StickIt agreed to pay cash commission of equal to 6% of the amount invested by such investors and issue to 4% share purchase warrants (**"Finder Warrants**") to purchase the Resulting Issuer Shares equal to 4% of the number of Resulting Issuer Shares issued to such investors. The Finder Warrants will be exercisable for a period of 24 months from the date of Listing at a price of $0.55 per Resulting Issuer Share.

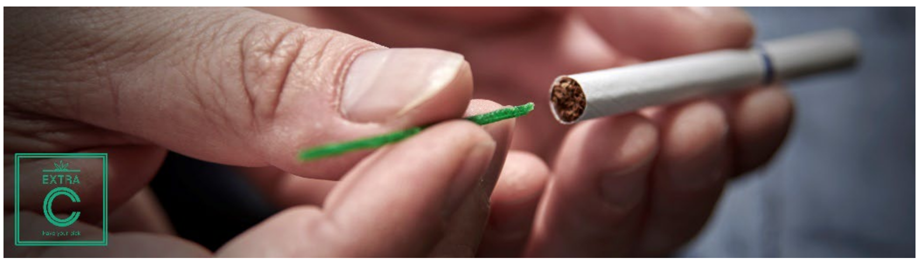
Principal Products

The main product of StickIt is its Extra-C sticks - a line of cannabinoid and non-cannabinoid sticks for smokables and a convenient way to enable people to smoke cannabis or consume terpenes or terpeniods, by simply inserting the active material into any existing cigarette. StickIt's unique technology provides an opportunity to develop and produce a wide variety of sticks with different aromas and percentages of CBD and THC. Each type of stick is marked with a different combination of colors, contributing to the quality of shelf appeal in the final point of sales. The wide range of products gives StickIt the flexibility to satisfy local demand and taste in each target market.

Derived from a proprietary production process (discussed below), Extra-C sticks (after being infused with cannabis) is a condensed cannabis oil in a matrix that gives the product the necessary rigidity, similar to a tooth pick. Once inserted, Extra-C sticks burns at the same rate as the cigarette, leaving no particles and a minimum ash.

In addition to natural colours and flavours, Extra-C sticks can be produced with different concentrations of CBD – THC, HHC, CBG, and with different aromas. Colors printed on the Extra-C sticks itself indicate these features, enabling the consumer to choose which one is preferred, wherever he or she happens to be.

CBD is the second most prevalent active ingredient in cannabis (marijuana). While CBD is an essential component of medical marijuana, it is derived directly from the hemp plant or manufactured in a laboratory. CBD does not cause a "high" by itself. According to a report from the World Health Organization, CBD exhibits no effects indicative of any abuse or dependence potential and there is no evidence of public health related problems associated with the use of pure CBD. THC is a substance many people associate with cannabis, as are its intoxicating effects and the feelings of daze and euphoria that come with its use. THC acts on the endocannabinoid system in the body, stimulating its CB1 and CB2 receptors. Activation of these receptors triggers, among other things, a cascade of effects in the brain that lead to changes in consciousness (so-called psychoactive effects). These can include euphoria, changes in auditory and visual perception, changes in the interpretation of time and more. HHC is a minor cannabinoid; it occurs naturally in cannabis, but in amounts too small to make extraction cost-effective. Most cannabinoids can be converted to other cannabinoids by altering the chemistry of the molecules. Like delta 8 THC and delta 10 THC, commercial HHC is made from hemp-derived CBD in a lab through chemical processes. HHC produces psychoactive effects, including relaxation, euphoria, and increased appetite.



StickIt technology (Extra-C sticks) allows a precise dosage of the active ingredients (10, 20, 30, 40, and 50 ml. of CBD), with a wide range of effects including pain killing, energizing, focus, sleep improvement, etc. It also allows adjustments in every aspect of the final product, active substance dosage, potency, flavor and aroma_ to any local regulation or consumer preference and to locally manufacture in any market destination. In addition, there are dozens of tastes and aromas, including whiskey, chocolate and chewing gum, so that each customer can choose and enjoy their preferred taste.

StickIt technology of active ingredients delivery using the Extra-C sticks is not necessarily directed for use in a cannabis industry. In addition to CBD, THC and HHC Extra-C sticks, StickIt's current range of Extra-C sticks include the following:

- Stick for relaxation and sleep - ("Calm & Sleepy", contains Linalool, B-Caryophyllene, Humulene). Linalool is a sleep inducing ingredient, used to treat anxiety and pain, among other things. B-Caryophyllene is used to treat inflammation, fungus, and, in some cases, cancer. It includes Humulene which effectively counters cancer, germs, and inflammations and which is sometimes used as a hunger-reducing substance.

- Stick for Energy – (Energizing – Terpinolene, a-Pinene, Limonen). These Extra-C sticks include a-Pinene which is considered to have many beneficial qualities including: alertness, euphoria, improved memory, and creative. Terpinolene, ascribed anti-fungal and anti-cancer qualities, and considered effective in treating allergies, asthma, and more. Limonene which has the effect of improved mood, reduction of stress, and is sometimes used to counter depression and anxiety.

Stick for Focus - includes Limonese and Myrcene, ingredients with many beneficial qualities, such as: calm and relaxation. Likewise includes Ocimene which serves to improve mood.

Although StickIt consumers will come from a variety of sources, the prime target are regular cigarette smokers.

StickIt is also currently in the process of developing additional products (with a view of infusing those with cannabinoids and/or botanic terpents) - drinking straw, mixing stick and popsicle stick. Those lines of products are designated for use in standard food and drinks, being a convenient way to enable people to consume cannabis and/or botanic terpents, by simply inserting the active material into any existing drink or food. StickIt is currently finalizing its patent applications with respect to those innovative products.

Operations, Manufacturing and Distribution

The facilities of StickIt are currently located in Dalton, Northern Israel, where StickIt currently leases 110 m2 of industrial building for the purpose of its current manufacturing and packaging operations (prior to infusion with cannbioids). In addition, on January 30, 2023 StickIt entered into a joint venture agreement with two individuals for the purpose of forming a private company for Extra-C sticks manufacturing at the industrial facilities of those individuals in Bangkok, Thailand.

Stickit is a technology company and its operating model is to establish joint ventures in countries around the world where recreational cannabis is permitted. Therefore, StickIt relies on and/or is involved in the cannabis industry. Each licensee/joint venture partner will establish a production facility in which they will add the cannabis content to sticks produced and supplied by Stickit. As part of the agreement StickIt is expected to provide the joint venture with the know-how required to manufacture the finished product. The licensee is expected to pay a setup fee by investing the funds necessary to set up the local production facility. Each licensee will have exclusive rights to produce and market Stickit products in their designated territory.

StickIt utilizes its production facility in Northern Israel to produce all the raw materials, except the cannabis, required to produce the Extra-C sticks. The raw materials are supplied to joint venture partners each located in regions selected according to their size and favorable regulation for recreational cannabis. The licensee/joint venture partner will produce the finished product, adding cannabis to the raw materials, and will sell them either directly to the points of sale or through distributors. Following the initial set-up costs the ownership of the joint venture shall be 50% StickIt and 50% local partner. The straightforward nature of the production process will make local production, using locally grown cannabis, quick and economically reasonable.

Each Joint Venture will recruit a team of business development and marketing executives who will aim to (i) locate the right network of distributors in each region, map the point of sale and carry out market research to gauge local demand; (ii) sign sub-service agreements with licensed distributors in each territory if required; (iii) and work closely to support points of sale with a view to maximizing sales and create pull marketing where such point of sale will drive demand from the distributors for increasing volumes of product. Marketing departments of such joint ventures are expected to create “local marketing materials” to be compliant with the local regulations. The operations department of such joint venture is expected to arrange for local packing & delivery in accordance with local laws.

StickIt’s licensees are expected to study local demand and preference is expected to be given to a long term supply agreements exploiting the unique ability of StickIt to supply product at a consistent quality and composition.

It is recognized that advertising may not be allowed, especially in the US, and therefore the marketing strategies will be multi-level including:

a) Public Relations – extensive campaigns to build awareness of the product, utilizing TV and online media.
b) Events – including conferences and demos.
c) Point of Sale – promotional material.

StickIt’s operations, manufacturing and distribution can be severely affected by the current armed conflict in Israel and the Gaza Strip. StickIt has some of its direct business operations in Israel and its exposure to the current conflict can severely affect its business and operation. See “*Risk Factors*”.

Market and Marketing Plans

Although Stickit is fundamentally a technology-driven company (it does not engage in the cultivation of cannabis flowers in greenhouses, nor does it extract flower oil) and its core focus lies in the development of technologies aimed at enhancing the user experience, StickIt relies on and/or is involved in the cannabis industry.

The global cannabis market size is estimated at $27.7 billion in 2022 and is projected to reach $82.3 billion by 2027 (CAGR 24.3%)[1]. The cannabis market is driven by the rise in the use of cannabis for recreational and medical use. Moreover, there has been an increased legalization of cannabis in the US in states like Virginia in 2021 and Rhode Island in 2022 and in other countries like in Malta in 2021, and Thailand in 2018. Recreational cannabis demand is increasing continuously driven by Gen Z consumers[2]. Moreover, legalization has led to a trend toward cannabis-related tourism, with locations producing novel holiday items to entice clients and increasing travel bookings to cannabis-legal destinations[2].

Legal cannabis industry has evolved considerably during the past five years and many observers believe that the industry has reached the tipping point for legalization through pressure from citizens' groups in individual states and countries for the legalization of medical and/or recreational cannabis[3]. Countries around the world are already responding to the state-by-state dismantling of prohibition in the US by moving to allow medical use (as in Australia, Germany, and Colombia, Israel and many other countries) or to outright legalization (as in Uruguay, Canada several states within the US, and very soon Luxembourg). In Europe, CBD made from hemp is already legal.

In October 2022 the German government agreed on a plan to legalize recreational cannabis use among adults. Possession of up to 30g (1oz) for personal use would be allowed. Licensed shops and pharmacies would sell it. The plan has yet to be approved in parliament - but also received the green light by the European Commission. In the EU only Malta has legalized recreational cannabis. Under Dutch law, the sale of small quantities of cannabis in "coffee shops" is tolerated. Germany, Italy, the Netherlands, Portugal, and the U.K. have all recently legalized medical marijuana products, with France and Spain making strides to legalize its use as well.

Recreational cannabis is expected to become more widespread in Asia as well. In 2019 Thailand became the first Asian country to legalize medical marijuana and was closely followed by South Korea. Japan has also passed legalization that allows for trials for a cannabis compound. Cambodia and Laos have started to consider legal use of cannabis as well.

In the US, sentiment towards cannabis use is radically changing. In 1969, just 12% of the population thought cannabis should be legal. Now, 62% of Americans firmly believe that cannabis should be legalized, which is double what it was in 2002. That level of agreement is rare on any policy issue and allows elected officials across the political spectrum to start to move past the stigma previously associated with this issue[4].

Current status in the United States is illustrated below:

1 https://www.globenewswire.com/news-release/2022/09/29/2524987/0/en/The-global-cannabis-market-size-is-estimated-to-be-valued-at-USD-27-7-billion-in-2022-and-is-projected-to-reach-USD-82-3-billion-by-2027-recording-a-CAGR-of-24-3.html

2. https://www.reportlinker.com/p05638993/?utm_source=GNW

3. *Taking stock of progress: Cannabis legalization and regulation in Canada*, published by Health Canada October 22, 2022

4. https://www.pewresearch.org/politics/2013/04/04/majority-now-supports-legalizing-marijuana/

At the Federal Level, Cannabis is still classified as an illegal substance under the Controlled Substances Act. The classification makes cannabis illegal under federal law to cultivate, manufacture, distribute or possess cannabis, and has created a discrepancy between state's rights and federal law. It also means that production must be local to consumption as it cannot cross state lines.

Management of StickIt believes that Extra-C stick is a unique, innovative product which is set to have a dramatic effect on the way recreational cannabis is consumed. It must be emphasized that as more countries and states legalize cannabis for recreational purposes, the pool of potential users and the number of Points of Sales for Extra-C sticks will grow strongly. Users of Extra-C sticks are expected to come from several sources:

a) Cannabis consumers of all kinds who will be attracted to Extra-C sticks as a catchy product.

b) Existing and new casual cannabis smokers who find traditional rolling inconvenient and uncomfortable and will use a good alternative.

c) Users of pre-rolled cannabis cigarettes.

d) Vaping users including those who do so because they are not comfortable rolling

e) General tobacco smokers who would smoke cannabis either routinely or once in a while if it could be achieved quickly and conveniently.

In Canada, the *Cannabis Act* SC 2018, c 16 (the **"Cannabis Act"**) legalized adult-use cannabis use nationwide in Canada. It creates a legal framework for controlling the production, distribution, sale and possession of cannabis across Canada for both medical and adult-use purposes. Subject to provincial or territorial restrictions, adults who are 18 years of age or older are legally able to: (i) possess up to 30 grams of legal cannabis, dried or equivalent in non-dried form in public; (ii) share up to 30 grams of legal cannabis, dried or equivalent in non-dried form with other adults; (iii) buy dried or fresh cannabis and cannabis oil from a provincially licensed retailer; (iv) grow, from licensed seed or seedlings, up to four cannabis plants per residence for personal use; and (v) make cannabis products, such as food and drinks, at home as long as dangerous organic solvents are not used to create concentrated products. In the initial stage of the regulated adult-use cannabis market, products available for sale were the same as those permitted in the medical cannabis market (dried flowers, oils and softgels and dried cannabis products). On October 17, 2019, the second phase of adult-use cannabis products, specifically, edible cannabis products, cannabis extracts, and cannabis topical products, were legalized pursuant to certain amendments to the regulations under the Cannabis Act. Edible cannabis products, cannabis extracts, and cannabis topical products, which are now available for sale, are subject to additional regulatory requirements that include supplemental marketing and advertising rules, further restrictions on labelling and packaging, rules relating to ingredients of edible cannabis products and cannabis extracts, limits on THC content, and added production facility requirements. Further, the current regime for medical cannabis will continue to allow access to cannabis to people who have the authorization of their healthcare provider.

However, cannabis market is highly volatile due to, among others, government regulations, development of new products and shifting customer preferences. For example, recent rapid adoption of HHC, driven by the decline in CBD's market value, brought about a transformative shift in the market landscape, as HHC made its entry into both European and U.S. markets and CBD sales decreased dramatically. In laboratory tests, HHC exhibits properties similar to CBD, yet when consumed via smoking, it induces intoxicating effects akin to THC. HHC's introduction into the European market created an alternative to the wellness properties traditionally associated with CBD. Consequently, many CBD consumers shifted their preference to this novel substance, resulting in another round of price decreases and shifts in consumption patterns.

Revenue Source

The main source of StickIt's revenue is expected to come from three sources: (i) revenue from licensing – each of the licensees will pay the Company an annual license fee of $75,000 USD (CAD 99,270); (ii) product sales RevShare – the Resulting Issuer will be eligible for a 50% revenue share of all the products the licensees will sell under the license agreement, and (iii) raw materials sales – the Resulting Issuer will supply the licensees with propritory raw materials needed for production and will be reimbursed for it.

Competitive Conditions

StickIt operates and expects to continue to operate in highly dynamic market that is characterized by a growing number of competitors working in the same product category. To the knowledge of management of StickIt, the main direct competitor of StickIt is an Israeli company Trichom Shell. Trichom Shell pours cannabis oil into a mold in the shape of an oil stick. Management of StickIt believes that Extra-C stick's primary advantage is its technology that uses insulated powder and liquid and does fusing - impregnation and not solidification.

Proprietary Protection

The development, licensing, and protection of intellectual property is a core part of StickIt's business strategy and is a key element to its success. StickIt intends to seek appropriate patent protection and intellectual property protection for its business, as well as other proprietary technologies and their uses, by filing applications with the European Union, the U.S., Canada, Israel and selected other countries.

StickIt has invested significant resources towards developing a recognizable and unique brand consistent with premium, high-end products in other industries.

On February 21, 2023 StickIt was granted a US patent under registration US11,582,996 B2 in connection with the plant extracts and therapeutic compounds in smoking utensils.

On May 9, 2023 StickIt was notified by the examining division of European Patent Office, that is was granted a European patent in connection with the plant extracts and therapeutic compounds in smoking utensils in 38 European countries, including Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey and United Kingdom.

In addition, StickIt currently has five patent applications with respect to the plant extracts and therapeutic compounds in smoking utensils and in honey complexes, as described in the table below:

Country	Application Number	Date	Status
USA	US11,582,996 B2	02/21/2023	Granted

Brazil	BR 1120210014560	7/25/2023	RFE filed. Awaiting first Office Action.
Canada	CA 3107730	02/12/2023	Awaiting filing of a response to a first Office Action
Israel	IL 280409	08/18/2022	Awaiting second Office Action/ allowance.
Europe	P22361EPPC	05/09/2023	Granted.
South Africa	ZA 2022/09265	07/25/2022	Awaiting response

StickIt's business practices protect its intellectual property rights through confidentiality policies and provisions and the use of appropriate restrictive covenant agreements with, among others, StickIt's contractors, consultants and customers. StickIt actively seeks to protect and enforce its intellectual property rights to prevent unauthorized use by third parties.

Key Advisors/Employees

StickIt's two key advisors/employees are Messrs, Asher Holzer (executive Chairman and co-founder) and Eli Ben-Haroosh (CEO and co-founder). Mr. Holzer has over 30 years' experience in management of both private and public corporations in the medical device and the biotech industry. His expertise covers a wide range of activities including product development, clinical studies, regulatory affairs and marketing. Before joing StickIt, Mr. Ben-Haroosh served as President of the publicly quoted Vonetize. In the previous 7 years served as VP and CEO of Premier – Dead Sea and was responsible for sales in 74 countries and in close to 1,000 points of sale.

Foreign Operations

StickIt is based in the State of Israel where it manufactures its Extra-C sticks and where its management is resident. Currently a total of approximately 80% of its sales are in European Union and 20% of its sales are in Africa and Asia subject to favourable legislation. StickIt utilizes its production facility in Northern Israel to produce all the raw materials, except the cannabis, required to produce the Extra-C sticks. The raw materials are supplied to joint venture partners each located in regions selected according to their size and favorable regulation for recreational cannabis. The licensee/joint venture partner produces the finished product, adding cannabis to the raw materials, and sells them either directly to the points of sale or through distributors. In addition, StickIt depends on logistics partners to deliver its products to the purchasers and distributors.

StickIt's operations can be severely affected by the current armed conflict in Israel and the Gaza Strip. StickIt has some of its direct business operations in Israel and its exposure to the current conflict can severely affect its business and operation. See "*Risk Factors*".

Regulatory Overview

StickIt considers itself to be a technology company and not a cannabis company. StickIt's business model consists of manufacturing its flagship Extra C-Sticks. Where such Extra-C Sticks contain among others, cannabis, it is purchased from licensed producers and the sticks are distributed by the licensed retailers. Although StickIt considers itself to be a technology company, it relies on and/or is involved in the cannabis industry.

In Canada, the distribution of products containing CBD is governed by the *Cannabis Act* and the *Food and Drugs Act* (Canada) and respective regulations issued thereunder. At present, until the Resulting Issuer enters into arrangements with the appropriate licensee counterparties able to satisfactorily address compliance matters with the Resulting Issuer's products, StickIt does not anticipate the distribution of its products in Canada. The Resulting Issuer will monitor closely the Canadian regulatory framework and intends to move promptly to market in Canada when avenues are available.

On February 8, 2018 the Canadian Securities Administrators published Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana related Activities*, ("**Staff Notice 51-352**") setting out the Canadian Securities Administrators' disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Neither StickIt, nor its wholly-owned subsidiary, is directly engaged in the manufacture, importation, possession, sale or distribution of cannabis. In addition, StickIt has not applied and does not have any intention to apply for any retailer, grower, producer, dealer, processor or wholesaler licenses which would allow it to directly participate in the cannabis marketplace in certain U.S. states which have legalized such activity. While StickIt does not directly cultivate, distribute or dispense cannabis or any cannabis derivatives, it has entered into commercial arrangements with third parties who are involved in the U.S. cannabis industry. Therefore, the Resulting Issuer will consider itself a "U.S. Marijuana Issuer" with material ancillary involvement with the U.S. cannabis industry, as defined and described in Staff Notice 51-352. The Resulting Issuer's ancillary involvement will arise from its involvement in its US subsidiary, where SitckIt currently holds 50% and an additional 50% are held by a U.S. manufacturer and distributor who is duly licensed to legally cultivate, process and distribute medical and/or adult-use cannabis and cannabis derivatives in order to manufacture StickIt's cannabis-infused Extra-C sticks in certain U.S. states which have legalized such activity. The Resulting Issuer expects to contribute to its US subsidiary its proprietary technology for Extra-C sticks production and upon the beginning of the Extra-C sticks distribution in the U.S., the U.S. subsidiary expects to earn revenue to be received from the sale of Extra-C sticks by a third-party licensed distributor.

However, the cannabis industry is illegal under U.S. federal law and enforcement of relevant federal laws is a significant risk. As of the date of this Prospectus, neither the Company nor StickIt, has commenced producing its products in United States and therefore do not have any balance sheet or operating statement exposure to U.S marijuana-related activities.

The Resulting Issuer will use the services of a contract manufacturer who is duly licensed to legally cultivate, process and distribute medical and/or adult-use cannabis and cannabis derivatives to manufacture its Extra-C Sticks in certain U.S. states which have legalized such activity. However, the cannabis industry is illegal under U.S. federal law and enforcement of relevant federal laws is a significant risk. As of the date of this Prospectus, StickIt has not commenced producing its products in United States and therefore do not have any balance sheet or operating statement exposure to U.S marijuana-related activities.

Below is a general discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where StickIt has ancillary involvement through its commercial arrangements with third parties who are directly involved in the U.S. cannabis business. In accordance with Staff Notice 51-352, the Resulting Issuer will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. As of the date of this Prospectus, StickIt has not obtained legal advice about our regulatory obligations in the United States. StickIt relies on the licenses that its contract manufacturers possess in order to perform the manufacturing and distribution that it pays them to do. StickIt relies on their contractual representations concerning performance in accordance with law.

In the U.S., 39 states and Washington D.C. have legalized medical marijuana, while 21 states, Washington D.C. and Guam have also legalized adult-use marijuana. At the federal level, however, cannabis currently remains a Schedule I controlled substance under the U.S. Controlled Substance Act of 1970 (the "CSA"). Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, the manufacture, importation, possession, use or distribution of cannabis remains illegal under U.S. federal law. This has created a dichotomy between state and federal law, whereby many states have elected to regulate and remove state-level penalties regarding a substance which is still illegal at the federal level. While technically illegal, the U.S. federal government's approach to enforcement of such laws has, at least until recently, trended toward non-enforcement.

On August 29, 2013, the U.S. Department of Justice ("DOJ") issued a memorandum known as the "Cole Memorandum" to all U.S. Attorneys' offices (federal prosecutors). The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of federal marijuana laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly-regulated medical or adult-use cannabis programs. The Cole Memorandum, while not legally binding, assisted in managing the tension between state and federal laws concerning state-regulated marijuana businesses. On January 4, 2018 the Cole Memorandum was revoked by Attorney General Jeff Sessions. While this did not create a change in federal law (as the Cole Memorandum was not itself law), the revocation added to the uncertainty of U.S. federal enforcement of the CSA in states where cannabis use is regulated. Sessions also issued a one-page memorandum known as the "Sessions Memorandum." This confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was "unnecessary" due to existing general enforcement guidance as set forth in the U.S. Attorney's Manual (the "USAM"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community." Attorney General Jeff Sessions resigned and left the DOJ, and William Barr was confirmed as Attorney General on February 14, 2019. On December 14, 2020, Mr. Barr tendered his resignation. Following the resignation of Mr. Barr, Jeffery Rosen was appointed as acting Attorney General. On January 14, 2021, President Joseph Biden appointed Merrick Garland to succeed Mr. Rosen as the U.S. Attorney General. On October 6, 2022, President Joseph Biden issued a statement and announced a a pardon of all Federal offences of simple possession of marijuana. In addition, President Biden requested the Secretary of Health and Humas Services and the Attorney General to initiate the administrative process to review how marijuana is scheduled under federal law. However, despite this statement, from a purely legal perspective, the criminal risk today remains identical to the risk on January 3, 2018. It remains unclear whether the risk of enforcement has been altered.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's business would be materially and adversely affected. U.S. federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Resulting Issuer. StickIt's involvement in the medical and adult-use cannabis industry is illegal under the applicable federal laws of the United States and may be illegal under other applicable law. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against StickIt's third party partners holding relevant licenses. The consequences of such enforcement would be materially averse to the Company and the Company's business.

StickIt has to date had access to equity from prospectus exempt (private placement) markets in Israel. While the Company may not be able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, the Company's management plans to continue to access equity financing through private markets and access equity financing through public markets in Canada, if listed on the CSE or another stock exchange.

There can be no assurance that additional financing, if raised privately, will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See "Risk Factors".

The Company intends only to contract with third parties who are appropriately licensed under the laws of the jurisdiction where they operate, and through its contractual arrangements, to make commercially reasonable efforts to ensure that all its third party manufacturing and distributing partners operate in accordance with federal and applicable state law concerning the production and sale of marijuana and cannabis related products.

In Europe, no national government currently supports legalization of cannabis sale for recreational use, and all countries have prison sentences for illegal supply. However, several draft laws have been proposed to national parliaments in the last few years, as well as some initiatives in regions or cities that were rejected at national level.

There is little harmonization among EU Member States in the laws penalizing unauthorized cannabis use or supply. Some countries legally treat cannabis like other drugs; in others, penalties vary according to the drug or offence involved. In the Netherlands, coffeeshops are outlets for the sale and (often on-site consumption) of cannabis, which started to appear in the 1970s. They are licensed by the municipality, and about two-thirds of Dutch municipalities do not allow them. There were 591 coffeeshops in 2014, with nearly one third in Amsterdam; numbers have been falling since 2000. Sale and personal possession is punishable by imprisonment under Dutch law, but coffeeshops are tolerated provided they adhere to strict criteria published in a directive of the public prosecutor. On 4 October 2021 the equalities minister in Malta presented a bill to change laws on cannabis. This follows the government's election manifesto of 2017, which pledged to launch a debate on recreational cannabis, and a white paper, published in March 2021, that reflected the government's vision for a fairer legal system for responsible cannabis users. The proposed bill would allow adult residents to grow up to four cannabis plants per household if away from public view, and to possess up to 50 grams of cannabis at home.

In Israel, cannabis is allowed for specified medical usage. In the scope of the Israeli cannabis reform, entrepreneurs have been given the opportunity to apply for a license to engage in the field of medical cannabis as part of the supply chain which will eventuate in the availability of "Medical Grade" cannabis products in the pharmacies. The cannabis products which have been approved for manufacturing and distribution must comply with professional standards, as has been formulated by the Ministry of Health in the quality procedures – the Ministry of Health general Director's Sub-contracts and the IMCA procedures (the Canakopia) and are to be of good quality and known and supervised concentrations. This will allow the treating doctor who has been trained for that end to prescribe medical cannabis, and for the patients – to purchase it in the pharmacy. In 2019 the government approved a regulatory framework for export and import of medical Cannabis and decriminalized the use of cannabis for citizens over the age of 18 when used in private. General-use recreational use of cannabis is currently illegal, though in 2019 the government set fines and treatment for initial offenders instead of criminal procedures. In November 2020, Israel announced that it was moving forward with a plan to legalize recreational cannabis nationally and as the date of this Prospectus, the legalization is pending parliamentary legislation. In second half of 2022 new importing regulations were introduced by the Ministry of Health, a procedure 109, is a set of guidelines for the process of approving applications for the import of a dangerous drug of the cannabis type for medical use and research.

In Canada, the Cannabis Act legalized adult-use cannabis use nationwide in Canada. It creates a legal framework for controlling the production, distribution, sale and possession of cannabis across Canada for both medical and adult-use purposes. Subject to provincial or territorial restrictions, adults who are 18 years of age or older are legally able to: (i) possess up to 30 grams of legal cannabis, dried or equivalent in non-dried form in public; (ii) share up to 30 grams of legal cannabis, dried or equivalent in non-dried form with other adults; (iii) buy dried or fresh cannabis and cannabis oil from a provincially licensed retailer; (iv) grow, from licensed seed or seedlings, up to four cannabis plants per residence for personal use; and (v) make cannabis products, such as food and drinks, at home as long as dangerous organic solvents are not used to create concentrated products.

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

Upon the Closing of the Acquisition, the Company has a working capital of approximately $1,161,481 based on the pro forma working capital of the Company and StickIt as at September 30, 2023, comprised as follows:

Sources of Available Funds	Available Funds ($)
Working Capital of StickIt	694,000 [(1)]
Working Capital of the Company	(50,617)
Company's Concurrent Financing Proceeds	441,000.00
Total pro forma working capital (unaudited)	1,084,393

Notes:

(1) Based on an exchange rate of 1 NIS = 0.36 CAD and 1USD = 1.3240 CAD.

Since founding, neither the Company nor StickIt has generated any positive cash flow from their respective operations and each of the Company and StickIt has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continue to be expended to pay its expenses.

Principal Purposes

Upon the Closing of the Acquisition, the principal purposes for the foregoing available funds are anticipated to be as follows:

Description	**Amount ($)(1)**
To pay the estimated remaining costs of the Transaction (legal accounting, listing, etc.)	30,000
To pay management and employees compensation	413,000(2)
To pay estimated general and administrative costs for the next 12 months (including, without limitation, office, rent and utilities expenses)	395,965(3)
To fund research and development activities	50,000(4)
Unallocated funds	195,428
Total	1,084,393

Notes:

(1) Those amounts do not include any expected income from the sale of StickIt's Extra-C sticks;
(2) Management compensation (Messrs. Ben-Haroosh and Holzer and Ms. Sophya Galper-Komet) in the amount of $342,000 and employees' compensation in the amount of $71,000;
(3) Rent ($34,286), office expenses ($4,000), insurance ($100,000), audit ($31,250), accounting ($21,429), legal fees ($25,000), travel expenses ($30,000), business development expenses ($150,000); and
(4) StickIt is currently in the process of developing additional cannabinoid products - drinking straw, mixing stick and popsicle stick. This revolutionary line of cannabinoid products is designated for use in standard food and drinks, being a convenient way to enable people to consume cannabis, by simply inserting the active material into any existing drink or food. Stick It is currently in the process of developing prototypes for the proposed products above, and plans to use approximately $50,000 of unallocated funds to fund its research and development during the next 12 months.

The Company intends to spend the funds available to it as stated in this Prospectus. It is anticipated that the available funds will be sufficient to achieve the Company's objectives over the next twelve months. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

Business Objectives and Milestones

The Company and StickIt believe that the Listing will open up further opportunities for the Resulting Issuer to access capital as well as allow it to use its Common Shares as a currency for potential acquisitions. Operationally, having access to more capital will help the Resulting Issuer further the Company's expansion, including, without limitation, research and development of additional products. Those goals require more human resources both from a sales and product development perspective.

StickIt is positioned as a technology company. Its operating model is (a) operate a facility in Israel to manufacture the raw materials required to produce StickIt products, excluding the cannabis. This includes sticks, raw materials including cellulite, powders, terrapin and others (everything except cannabis); (b) establish joint ventures with local partners in regions where production of cannabis products is permitted. Joint ventures are expected be owned 50% by Stickit and 50% by the local partner. The local partner will invest the capital required to set up a production facility and the Joint Venture will be granted an exclusive license to produce and market StickIt in the designated territory, and (c) the joint venture supplies the StickIt products to points of sale, either directly or through distributors it appoints.

StickIt expects to sell the raw materials to the joint venture at an agreed price and to receive a share of the profits in proportion to its ownership of the joint venture.

The following table outlines key milestones and objectives of the Resulting Issuer upon Listing.

Business Objectives	Key Milestones	Estimate Timing	Estimated Costs
Build manufacturing facilities in Canada and Thailand	Entering into partnership arrangements with a local partner to license StickIt's proprietary technology	Q4 2023	$15,000
Build manufacturing facilities in South Africa and Singapore	Entering into partnership arrangements with a local partner to license StickIt's proprietary technology	Q4 2024	$15,000

DIVIDENDS OR DISTRIBUTIONS

The Company has not declared or paid any dividends or distributions since incorporation. While there are no restrictions that prevent the Company from paying dividends or distributions, it has no source of cash flows, and anticipates using all available cash resources toward its stated business objectives. Accordingly, the Resulting Issuer does not anticipate paying dividends or distributions in the foreseeable future and its policy is expected to be to retain earnings, if any, to finance its business operations. Any determination to pay future dividends or distributions will remain at the discretion of the Board of Directors and will depend on the earnings, financial condition of the Resulting Issuer and such other factors deemed relevant by the Board of Directors.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Company's and StickIt's MD&A included herein should be read in conjunction with the Financial Statements and the disclosure contained in this Prospectus. The discussions of results are as of the dates stated in the applicable MD&A.

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Management's Discussion & Analysis for the three-months ended May 31, 2023

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of AQUAZOOM HYDROPOWER SOLUTIONS INC.("AHSI" or the "Company") for the three months ended May 31, 2023, and eight months period ended February 28, 2023. This MD&A should be read in conjunction with the Company's unaudited financial statements for the three months ended May 31, 2023, and eight months period ended February 28, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of the Company's financial statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of July 27, 2023.
Management's Responsibility for Financial Statements

The information provided in this report, including financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Forward-Looking Information or Statements and Cautionary Factors that may Affect Future Results

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible” and similar expressions, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward- looking statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company’s policies that all forward-looking statements are based on the Company’s beliefs and assumptions which are based on information available at the time these assumptions are made, and are subject to change. The Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Business Overview

Aquazoom Hydropower Solutions Inc. (“AHSI” or the “Company”) was incorporated under the British Columbia Business Corporations Act as a as a wholly-owned subsidiary of a reporting issuer, Explorinvest Capital Corp. (“Explorinvest”) on March 11, 2021. On April 1, 2021, Explorinvest and AquaZoom AG (a developer of small-scale (15-100 kilowatts) vortex hydropower plants in the United Kingdom) entered into a letter of intent (the“LOI”) providing for the amalgamation of the Company and AquaZoom AG to form the Issuer to commence operations in business to implement hydro vortex technology in sustainable power generation projects.

Explorinvest entered into an arrangement agreement (the “Arrangement Agreement”) with its wholly- owned subsidiary: AHSI. Under the terms of the Arrangement Agreement, Explorinvest would complete a plan of arrangement (the “Plan of Arrangement”) which would divest Explorinvest of the asset consisting of the LOI, which would be divested to the Company in consideration of 14,403,698 common shares of the Company.

Explorinvest received shareholder approval to the Arrangement at an annual general and special meeting of shareholders held on December 17, 2021, and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. Shares for the plan of Arrangement have been issued on July 7, 2022.

On September 13, 2022 the Company entered into a business combination agreement (the “Agreement”) with StickIt Ltd., an Israeli private company ("StickIt"). Pursuant to the Agreement, the Company and StickIt have agreed to a proposed arm’s length acquisition (the "Transaction") by the Company of 100% of the issued and outstanding securities of StickIt in exchange for the issuance of securities of the Company. The Transaction is intended to constitute the Company’s Reverse Take- Over. On closing of the Transaction, the business of the Company will be the business of StickIt. The Company will seek shareholder approval for special matters in connection with the Transaction, to the extent required by applicable law or as deemed advisable by the parties. The Transaction is conditional on, among other things, the Company receiving an independent valuation of Stickit at or above $50,000,000.00 (fifty million dollars) and the Company completing one or more private placement(s) (collectively, the “Concurrent Financings”) for gross proceeds of up to an aggregate of CA$500,000.00. Unless the parties agree otherwise, the Agreement will terminate if, among other things, the Transaction did not complete by September 31, 2023. However, the management has plan to seek an extension.

The Company’s head office is located at 302-370 Esplanade East, North Vancouver, British Columbia, V7L 1A4.

Results of Operations and Selected Quaterly Financial Data

The following table provides summary financial data prepared in accordance with IFRS:

<u>*Selected quarterly financial data*</u>

	Quarter ended	Revenue	Net income (loss)	Net income (loss) and comprehensive income (loss)	Basic and diluted earnings (loss) per common share
Q1/23	May 31, 2023	-	(35,663)	(35,663)	(0.002)
Q4/23	February 28, 2023	-	(9,476)	(9,476)	(0.001)
Q3/22	November 30, 2022	-	(1,575)	(1,575)	(0.00)
Q2/22	August 31, 2022	-	(3,903)	(3,903)	(0.00)
Q1/22	July 1, 2022**	-	-	-	0.00
Q4/21	May 31, 2022	-	-	-	0.00
Q3/21	February 28, 2022	-	-	-	0.00
Q2/21	November 30, 2021	-	-	-	0.00
Q1/21	August 31, 2021	-	-	-	0.00
Q4/20	May 31, 2021*	-	-	-	0.00
			-	-	-

* from March 11, 2021, date of incorporation to May 31, 2021
** One Month Period Ended July 7, 2022

Outstanding Share Data

As at May 31, 2023, there are:

- 14,403,698 common shares outstanding;
- No warrants outstanding or stock options

Liquidity and Capital Resources

The Company does not have sufficient working capital to continue operations in the normal course for the foreseeable future and will require additional financing to remain financially solvent.

The Company’s financial statements for the period ended May 31, 2023 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. For the period ended May 31, 2023, the Company incurred an operating loss of $35,663 and has incurred accumulated losses of $50,617 since inception. AHSI is a start-up business to implement hydro vortex technology in sustainable power generation projects and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, AHSI's ability to conduct operations, including the development of its sales and marketing program, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that AHSI will be able to do so.

To the extent that the Company continues to incur losses and its resources are insufficient to fund the Company until profitability is reached, the Company will need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company’s common stock.

No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay expenditures or acquisitions.

Management is currently investigating a range of strategic options available with a view to generating income sufficient to pay its liabilities and ongoing operating expenses, and maximizing shareholder value.

For the period ended May 31, 2023, cash used in operating activities was $40,484 (February 2023-$NIL).

For the period ended May 31, 2023, cash used by investing activities was $Nil (February 2023 --$NIL).

For the period ended May 31, 2023, cash provided by financing activities was $40,484 (February 2023-$NIL).

Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

For the period ended May 31, 2023, the Company incurred $NIL (February 2023-$NIL) for consulting or management fees provided by directors and had $1,575 balance ue to director (February 2023-$NIL), and $38,909 due to related party (February 2023-$NIL).

Financial Instruments

The Company’s financial instrument consist of cash, taxes recoverable, accounts payable, and due to the related parties the fair values of which are considered to approximate their carrying values due to their short-term maturities.

The Company’s risk exposures and the possible impact of these expenses on the Company’s financial instruments are summarized below:

Strategic and operational risks
Strategic and operational risks are risks that arise if the Company fails to carry out business operations and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing

to discharge an obligation. As at May 31, 2023, the Company had $10,133 accounts payable, director, and $38,909 due to the related party outstanding and the carrying value of cash and cash equivalents was $100.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May, 2023 the Company had a cash balance of $100 and current liabilities of $50,617.

Interest risk
Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements for the year ended May 31, 2023.

Significant Accounting Policies

Please refer to the May 31, 2023 financial statements of the Company for details on significant accounting policies.

Recent Accounting Pronouncements

Various pronouncements have been issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee that will be effective for future accounting periods. The company closely monitors new accounting standards as well as amendments to existing standards and assesses what impact, if any, they will have on the financial statements. Most of the standards are not expected to have a material impact to the company but one standard that is applicable and currently being evaluated is summarized below.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies, and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. We are currently assessing the impacts of the amended standards but do not expect a significant impact to our financial disclosures.

Risks and Uncertainties

These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company

The financing and development of the Issuer's business are subject to a number of factors, including laws and regulations in the areas of taxation, permitting and others, including hiring qualified people, and obtaining necessary services in jurisdictions where the Issuer operates. The current trends relating to these factors are favorable but could change at any time and negatively affect the Issuer's operations and business.

Start-Up Venture

As a start up venture the Company's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitive markets. As an early growth stage company, the risks include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its operations, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it can be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. There is no assurance that it can raise the funds required to operate.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Additional Information

Additional information pertaining to the Company is available on the SEDAR+ website at www.sedarplus.ca..

Approval

The Company's Board of Directors has approved the Company's financial statements for the three months ended May 31, 2023, and eight months period ended February 28, 2023. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and is available on www.sedarplus.ca.

For the three months ended May 31, 2023, and eight months period ended February 28, 2023

During the three months ended May 31, 2023, the Company incurred a net loss and comprehensive loss of $31,510 compared to a net loss and comprehensive loss of $NIL as of May 31, 2022. This loss is primarily a result of the following:

(i) Professional fees of $31,500 (February 2023 - $10,474), these fees were made up primarily of accounting and legal fees.

(ii) Administrative fees of $10 (February 2023 - $NIL)
(iii) Transfer agent and regulatory of $NIL (February 2023 - $4,480)

Management's Discussion & Analysis for the year ended February 28, 2023

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of AQUAZOOM HYDROPOWER SOLUTIONS INC. ("AHSI" or the "Company") for the year ended February 28, 2023 and one month ended July 7, 2022. This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended February 28, 2023 and one month ended July 7, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A complements and supplements, but does not form part of the Company's financial statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of June 29, 2023.

Management's Responsibility For Financial Statements

The information provided in this report, including financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Forward-Looking Information or Statements and Cautionary Factors that may Affect Future Results

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible” and similar expressions, or statements that events, conditions or results “will”, “may”, “could” or “should” occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward- looking statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company’s policies that all forward-looking statements are based on the Company’s beliefs and assumptions which are based on information available at the time these assumptions are made, and are subject to change. The Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Business Overview

Aquazoom Hydropower Solutions Inc. (“AHSI” or the “Company”) was incorporated under the British Columbia Business Corporations Act as a as a wholly-owned subsidiary of a reporting issuer, Explorinvest Capital Corp. (“Explorinvest”) on March 11, 2021. On April 1, 2021, Explorinvest and AquaZoom AG (a developer of small-scale (15-100 kilowatts) vortex hydropower plants in the United Kingdom) entered into a letter of intent (the “LOI”) providing for the amalgamation of the Company and AquaZoom AG to form the Issuer to commence operations in business to implement hydro vortex technology in sustainable power generation projects. The agreement expired and was terminated.

Explorinvest entered into an arrangement agreement (the “Arrangement Agreement”) with its wholly- owned subsidiary: AHSI. Under the terms of the Arrangement Agreement, Explorinvest would complete a plan of arrangement (the “Plan of Arrangement”) which would divest Explorinvest of the asset consisting of the LOI, which would be divested to the Company in consideration of 14,403,698 common shares of the Company.

Explorinvest received shareholder approval to the Arrangement at an annual general and special meeting of shareholders held on December 17, 2021, and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. Shares for the plan of Arrangement have been issued on July 7, 2022.

On September 13, 2022 the Company entered into a business combination agreement (the "Agreement") with StickIt Ltd., an Israeli private company ("StickIt"). Pursuant to the Agreement, the Company and StickIt have agreed to a proposed arm's length acquisition (the "Transaction") by the Company of 100% of the issued and outstanding securities of StickIt in exchange for the issuance of securities of the Company. The Transaction is intended to constitute the Company's Reverse Take- Over. On closing of the Transaction, the business of the Company will be the business of StickIt. The Company will seek shareholder approval for special matters in connection with the Transaction, to the extent required by applicable law or as deemed advisable by the parties. The Transaction is conditional on, among other things, the Company receiving an independent valuation of Stickit at or above $50,000,000.00 (fifty million dollars) and the Company completing one or more private placement(s) (collectively, the "Concurrent Financings") for gross proceeds of up to an aggregate of CA$500,000. Unless the parties agree otherwise, the Agreement will terminate if, among other things, the Transaction did not complete by September 31, 2023. However, the management has plan to seek an extension.

The Company's head office is located at 302-370 Esplanade East, North Vancouver, British Columbia, V7L 1A4.

Selected Annual Information

The Company's Financial Statements for the year ended for the year ended February 28, 2023 and one month ended July 7, 2022 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The following selected financial information is taken from the annual financial statements and should be read in conjunction with those statements.

	February 28, 2023 (8months) $	July 7, 2022 (1 month) $
Cash	100	100
Total assets	100	100
Total liabilities	14,954	-
Shareholders' equity	(14,854)	100
Deficit	(14,954)	-
Revenue	-	-
Net and comprehensive loss	(14,954)	-
Basic and diluted loss per share	(0.001)	-

Results Of Annual Operations

For the year ended February 28, 2023 compared to one month ended July 7, 2022:

During the year ended February 28, 2023, the Company incurred a net loss and comprehensive loss of $14,954 compared to a net loss and comprehensive loss of $NIL for one month ended July 7, 2022. This loss is primarily a result of the following:

(i) Professional fees increased by $10,474 to $10,474 (2022 - $NIL), these fees were made up primarily of accounting and legal fees.

(ii) Transfer agent and regulatory fees increased by $4,480 to $4,480 (2022 - $NIL).

Results Of Operations and Selected Quarterly Financial Data

The following table provides summary financial data prepared in accordance with IFRS:

Selected quarterly financial data

	Quarter ended	Revenue	Net income (loss)	Net income (loss) and comprehensive income (loss)	Basic and diluted earnings (loss) per common share
Q4/21	February 28, 2023	-	(9,476)	(9,476)	(0.001)
Q3/22	November 30, 2022	-	(1,575)	(1,575)	(0.00)
Q2/22	August 31, 2022	-	(3,903)	(3,903)	(0.00)
Q1/22	July 1, 2022**	-	-	-	0.00
Q4/21	May 31, 2022	-	-	-	0.00
Q3/21	February 28, 2022	-	-	-	0.00
Q2/21	November 30, 2021	-	-	-	0.00
Q1/21	August 31, 2021	-	-	-	0.00
Q4/20	May 31, 2021*	-	-	-	0.00

* From March 11, 2021, date of incorporation to May 31, 2021
** One Month Period Ended July 7, 2022

For the three months ended February 28, 2023, and 2022

During the three months ended February 28, 2023, the Company incurred a net loss and comprehensive loss of $9,476 compared to a net loss and comprehensive loss of $NIL as of February 28, 20237, 2022. This loss is primarily a result of the following:

(i) Professional fees of $8,899 (2022 - $NIL), these fees were made up primarily of accounting and legal fees.

(ii) Transfer agent and regulatory fees of $577 (2022 - $NIL).

Outstanding Share Data

As at February 28, 2023, there are:
- 14,403,698 common shares outstanding;
- No warrants outstanding or stock options

Liquidity and Capital Resources

The Company does not have sufficient working capital to continue operations in the normal course for the foreseeable future and will require additional financing to remain financially solvent.

The Company's financial statements for the year ended February 28, 2023 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. For the year ended February 28, 2023, the Company incurred an operating loss of $14,954 and has incurred accumulated losses of $14,954 since inception. AHSI has a business combination agreement with StickIt Ltd., an Israeli private company in the business of manufacturing a cannabis based product marketed internationally where the product is permitted legally and therefore, until the acquisition is completed, has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, AHSI's ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that AHSI will be able to do so.

To the extent that the Company continues to incur losses and its resources are insufficient to fund the Company until profitability is reached, the Company will need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced, and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock.

No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay expenditures or acquisitions.

Management is currently investigating a range of strategic options available with a view to generating income sufficient to pay its liabilities and ongoing operating expenses, and maximizing shareholder value.

For the year ended February 28, 2023, cash used in operating activities was $NIL (2022-$NIL). For the period ended February 28, 2023, cash used by investing activities was $Nil (2022-$NIL).

For the period ended February 28, 2023, cash provided by financing activities was $Nil (2022-$100).

Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

For the period ended February 28, 2023, the Company incurred $NIL (2022-$NIL) for consulting or management fees provided by directors and had $1,575 (2022-$NIL) balance in accounts payable due to CFO who paid for professional fee related to the interim financial statements.

Financial Instruments

The Company's financial instruments consist of cash, taxes recoverable, accounts payable, and due to the related parties, the fair values of which are considered to approximate their carrying values due to their short-term maturities.

The Company's risk exposures and the possible impact of these expenses on the Company's financial instruments are summarized below:

Strategic and operational risks

Strategic and operational risks are risks that arise if the Company fails to carry out business operations and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at February 28, 2023, the Company had $14,954 accounts payable outstanding and the carrying value of cash and cash equivalents was $100.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2023 the Company had a cash balance of $100 and current liabilities of $14,954.

Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements for the year ended February 28, 2023.

Significant Accounting Policies

Please refer to the February 28, 2023 and one month ended July 7, 2022 audited financial statements of the Company for details on significant accounting policies.

Recent Accounting Pronouncements

Various pronouncements have been issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee that will be effective for future accounting periods. The company closely monitors new accounting standards as well as amendments to existing standards and assesses what impact, if any, they will have on the financial statements. Most of the standards are not expected to have a material impact to the company but one standard that is applicable and currently being evaluated is summarized below.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies, and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. We are currently assessing the impacts of the amended standards but do not expect a significant impact to our financial disclosures.

Risks and Uncertainties

These statements represent the Company’s intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company.

The financing and development of the Issuer’s business are subject to a number of factors, including laws and regulations in the areas of taxation, permitting and others, including hiring qualified people, and obtaining necessary services in jurisdictions where the Issuer operates. The current trends relating to these factors are favorable but could change at any time and negatively affect the Issuer’s operations and business.

Start-Up Venture

As a start up venture the Company’s prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitive markets. As an early growth stage company, the risks include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its operations, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it can be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. There is no assurance that it can raise the funds required to operate.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include lost records, loss or damage or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Additional Information

Additional information pertaining to the Company is available on the SEDAR+ website at www.sedarplus.ca.

Approval

The Company's Board of Directors has approved the Company's financial statements for the year ended February 28, 2023 and one month ended July 7, 2022. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and is available on www.sedarplus.ca.

STICKIT LIMITED INC.

Management's Discussion & Analysis for six-months period ended June 30, 2023 (Expressed in Thousands of Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of StickIt Limited (the "Company" or "StickIt") is prepared as at August 30, 2023 and should be read in conjunction with the unaudited condensed interim financial statements and the accompanying notes for the condensed interim financial statements of the Company for three and six months ended June 30, 2023, as well as the audited annual financial statements and related notes for the 3 months ended March 31, 2023 and year ended December 31, 2022 (the "Annual Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless the context indicates otherwise, references to "Stickit", "the Company", "we", "us" and "our" in this MD&A refer to StickIt Limited. and its operations.

Forward-Looking Information

Certain information included in this MD&A contains forward-looking information within the meaning of applicable securities laws. This information includes, but is not limited to, statements made in *Business Overview and Strategy, Results from Operations, Debt Profile* and other statements concerning Company's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this MD&A is qualified by the following cautionary statements.

Forward looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond Company's control, affect the operations, performance and results of the Company, and could call actual results to differ materially from current expectations of estimated or anticipated events or results.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable and represent the Company's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Company's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or impliedby such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: Business Overview*,* Results from Operations*,* Liquidity and Capital Resources*,* Capital Structure. See Risks and Uncertainties for further information. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this MD&A is made as of the date of this MD&A and should not be relied upon as representing Company's views as of any date subsequent to the date of this MD&A. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Business Overview and Overall Performance

Business overview

Stickit was incorporated on October 2, 2019, under incorporation number 516091360 in Israel under the Israeli Company Act and is a private technology company existing under the laws of the State of Israel. StickIt's primary business is the technological development and manufacturing of smoking utensils containing plant extracts and in particular the Extra-C sticks. Currently, derived from a proprietary production process, Extra-C stick offers condensed cannabis oil in a unique matrix giving it just the right rigidity, similar to a toothpick that instantly converts a regular cigarette into a cannabis/hemp cigarette. Once inserted, Extra-C stick burns at the same rate as the cigarette. The principal assets of StickIt are various patents and patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes.

The main facilities of StickIt are currently located in Dalton, Northern Israel, where StickIt currently leases 110 m2 of industrial building for the purpose of its current manufacturing and packaging operations. The additional manufacturing facility is in industrial area of Barcelona, Spain, where Stickit Spain leases 100 m2 of floor to produce a CBD sticks, the CBD sticks contain 100 Mg CBD 99.6% clear.
In addition, on January 30, 2023, StickIt entered into a joint venture agreement with two individuals for the purpose of forming a private company for Extra-C sticks manufacturing at the industrial facilities of those individuals in Bangkok, Thailand. Currently Stickit Thailand leases 55 m2 of floor in the industrial area Bangkok, Thailand to produce a CBD sticks, the CBD sticks contain 80 Mg CBD 99.6% clear.

Growth strategy

Stickit is a technology company, and its operating model is to establish joint ventures in countries around the world where recreational cannabis is permitted. Each licensee/joint venture partner will establish a production facility in which they will add the cannabis content to sticks produced and supplied by Stickit. As part of the agreement StickIt is expected to provide the joint venture with the know-how required to manufacture the finished product. The licensee is expected to pay a setup fee by investing the funds necessary to set up the local production facility. Each licensee will have exclusive rights to produce and market Stickit products in their designated territory.

StickIt utilizes its production facility in Northern Israel to produce all the raw materials, except the cannabis, required to produce the Extra-C sticks. The raw materials are supplied to joint venture partners each located in regions selected according to their size and favorable regulation for recreational cannabis. The licensee/joint venture partner will produce the finished product, adding cannabis to the raw materials, and will sell them either directly to the points of sale or through distributors. Following the initial set-up costs the ownership of the joint venture shall be 50% StickIt and 50% local partner. The straightforward nature of the production process will make local production, using locally grown cannabis, quick and economically reasonable.

Each Joint Venture will recruit a team of business development and marketing executives who will aim to (i) locate the right network of distributors in each region, map the point of sale and carry out market research to gauge local demand; (ii) sign sub-service agreements with licensed distributors in each territory if required; (iii) and work closely to support points of sale with a view to maximizing sales and create pull marketing where such point of sale will drive demand from the distributors for increasing volumes of product. Marketing departments of such joint ventures are expected to create "local marketing materials" to be compliant with the local regulations. The operations department of such joint venture is expected to arrange for local packing & delivery in accordance with local laws and regulations.

StickIt's licensees are expected to study local demand and preference is expected be given to a long-term supply agreement exploiting the unique ability of StickIt to supply product at a consistent quality and composition.

Country	Application Number	Date	Status
USA	US11,582,996 B2	02/21/2023	Granted
Brazil	BR 1120210014560	7/25/2023	RFE filed. Awaiting first Office Action.
Canada	CA 3107730	02/12/2023	Awaiting
Israel	IL 280409	08/18/2022	Awaiting
Europe	P22361EPPC	05/09/2023	Granted
South Africa	ZA 2022/09265	07/25/2022	Granted

It is recognized that advertising may not be allowed, especially in the US, and therefore the marketing strategies will be multi-level including:

c) Public Relations – extensive campaigns to build awareness of the product, utilizing TV and online media.
d) Events – including conferences and demos.
e) Point of Sale – promotional material.

Proprietary Protection

The development, licensing, and protection of intellectual property is a core part of StickIt's business strategy and is a key element to its success. StickIt intends to seek appropriate patent protection and intellectual property protection for its business, as well as other proprietary technologies and their uses, by filing applications with the European Union, the U.S., Canada, Israel and selected other countries.

StickIt has invested significant resources towards developing a recognizable and unique brand consistent with premium, high-end products in other industries. StickIt currently has five patent applications with respect to the plant extracts and therapeutic compounds in smoking utensils and in honey complexes, as described in the table below:

On February 21, 2023, StickIt was granted a US patent under registration US11,582,996 B2 in connection with the plant extracts and therapeutic compounds in smoking utensils.

On May 9, 2023 StickIt was notified by the examining division of European Patent Office, that is was granted a European patent in connection with the plant extracts and therapeutic compounds in smoking utensils in 38 European countries, including Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey and United Kingdom.

StickIt's business practices protect its intellectual property rights through confidentiality policies and provisions and the use of appropriate restrictive covenant agreements with, among others, StickIt's contractors, consultants and customers. StickIt actively seeks to protect and enforce its intellectual property rights to prevent unauthorized use by third parties.

Investment in Associate Joint Venture

On January 19, 2022, StickIt and Hempacco Co., Inc. ("Hempacco") entered into an arm's length joint venture agreement for the formation of Stick-It USA, Inc. under the laws of the State of Delaware ("Stick-It USA"), which will be held in equal parts by Stick-It and Hempacco. On September 7, 2022, the parties entered into an amendment to the Joint Venture Agreement. According to the Joint Venture Agreement and the amendment thereto Stick-It USA will engage in manufacturing, marketing and sale in the USA and Mexico of hemp smokable products, including StickIt's Extra-C sticks - a line of cannabinoid sticks for smokables. StickIt USA will rely on the licenses that Hempacco (its contract manufacturer) possess in order to perform the manufacturing and distribution. StickIt relies on Hampacco's contractual representations concerning performance in accordance with law. Hempacco is currently one of leaders in the production of herb and hemp cigarettes.

Subsequently, on December 19, 2022, and in anticipation of completion of the Acquisition, Aquazoom and Hempacco entered into an exclusive master distribution agreement, for the marketing and distribution by the company of Hempacco's hemp smokable products and CBD products under various brands owned by Hempacco exclusively in the State of Israel and Canada and non-exclusively in Europe, provided the Resutling Issuer aquire the necessary licenses and permits, if required. The term of the exclusive master distribution agreement is 5 years plus one renewal term of 5 years.

Reverse Takeover

On September 13, 2022, Aquazoom and Stickit entered into a business combination arrangement, pursuant to which, a wholly owned subsidiary of Aquazoom to be incorporated pursuant to the laws of Israel solely for that person, will amalgamate with StickIt.

The principal assets of StickIt are various patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes. All those patent applications are currently pending.

In accordance with the terms and conditions of the Agreement, Subco is expected to amalgamate with StickIt, and in connection with the Acquisition, Aquazoom will issue 106.0512 Aquazoom Shares for each Stick Share (the "Payment Shares"), being approximately 88.43% of the issued and outstanding share capital assuming no StickIt Warrants are exercised and 88.26% of the issued and outstanding share capital assuming all of StickIt Warrants are exercised (same percentage on a fully diluted basis) of the Company post completion of the Acquisition, at a deemed price of $0.430445 per Payment Share, for aggregate deemed consideration of $44,818,264 . Following the closing of the Acquisition, StickIt will become a wholly owned subsidiary of the Company. In addition, following the Closing, the Company will issue and (i) 23,232 Finder Warrants; (ii) 106.0512 incentive Options to officers, director and employees of StickIt in exchange for each currently outstanding StickIt Options. In total, a total of 23,232 Finder Warrants and 5,249,535 Options are expected to be issued. The terms of the exercise of Finder Warrants and Options shall be consistent with the terms of the originally issued underlying StickIt securities.

Recently StickIt secured the exemption by the Israeli Securities Authority from filing a prospectus by StickIt in Israeli vis a vis the issuance of its securities to the Stickit Shareholders and other securities holders.

The Acquisition will constitute a reverse takeover transaction. The closing of the Acquisition pursuant to the Agreement is subject to fulfilment of certain conditions, including:

(a) issuance of a receipt from the BCSC for the final Prospectus;
(b) receipt of conditional acceptance of the CSE of the Listing;
(c) receipt of all required regulatory, shareholder, corporate and third-party approvals including any CSE approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the acquisition;
(d) receipt by the Stickit shareholders, its other securities holders and Stickit a favorable Israeli tax pre-ruling to their full satisfaction providing that the consummation of the Acquisition and Financing (defined therein) shall constitute a deferred tax event for Stickit and Stickit shareholders and other securities holders which shall not obligate them to pay any tax amounts prior to receiving actual funds resulting from the sale of the Company's shares received by them in exchange for their Stickit Shares and Stickit convertible securities (the "Ruling"); and
(e) such other conditions under the Agreement customary to these types of transactions.

Upon the Closing of the Acquisition, the business of StickIt will become the business of the Resulting Issuer. The Resulting Issuer will own 100% of StickIt and the StickIt Shareholders will become shareholders of The Resulting Issuer. Effective and conditional upon the Closing of the Acquisition, certain nominees of StickIt will have been appointed on the Board of the Resulting Issuer.

Management and Key Employees

Eli Ben-Haroosh - President, CEO and Director

Mr. Ben-Haroosh is a seasoned executive and prior to joining STickIt he served as President of Vonetize PLC, a cannabis cultivation company in Colorado, USA, listed on the Tel-Aviv Stock Exchange. In the previous 7 years served as VP and CEO of Premier – Dead Sea and was responsible for sales in 74 countries and in close to 1,000 points of sale generating tens of millions of dollars a year. MR. Ben-Haroosh currently serves as the director of several companies. and as the president of Mariana Inc. and Zero Candida. He holds a degree in business management from Ben Gurion University of the Negev.

Asher Holzer – Founder and Director

Mr. Holzer has over 30 years' experience in management of both private and public corporations in the medical device and the biotech industry. His expertise covers a wide range of activities including product development, clinical studies, regulatory affairs and marketing. Asher founded several successful bio-tech companies and served as their chairman and president. These included InspireMD (NYSE MKT: NSPR), a medical device company which improves treatment of patients undergoing heart stenting and UroGen Pharma (NASDAQ: URGN) focusing on developing therapies for urological pathologies. Asher was part of the management team of Biosense which was acquired by Johnson & Johnson in 1997 and became the worldwide market leader in developing and marketing products for the diagnosis and treatment of cardiac arrhythmias. He holds a Ph.D. in Applied Physics and a M.Sc. in Material Science from Hebrew University in Jerusalem, Israel. He holds several granted and pending patents, mainly in the fields of interventional cardiology and urology.

Sophya Galper-Komet– CFO, Corporate Secretary and Director

Ms. Galper-Komet is a seasoned executive and currently a founder of Wisdom Star, a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors in a wide variety of industries. Prior to that she had served as Chief Operating Officer of a private real estate investment company. With over 20 years of experience working on different angles of capital markets and private equity, her expertise in developing diverse funding solutions to corporate issuers includes initial public offerings, bond offerings, M&A and private equity transactions. Ms. Galper-Komet has served as a director of numerous public companies and financial institutions including a chair of several board committees. Ms. Galper-Komet holds an MBA in Finance and Accounting and a BA in Economics and Psychology from Tel Aviv University.

Presentation of Financial Information and Non-IFRS Measures

Presentation of Financial Information

Unless otherwise specified herein, financial results, including historical comparatives, contained in this MD&A are based on the Company's unaudited condensed interim financial statements and the accompanying notes for the condensed interim financial statements of the Company for three months ended March 31, 2023, as well as the audited annual financial statements and related notes for the year ended December 31, 2022 (the "Annual Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise specified, amounts are in thousands Canadian dollars and percentage changes are calculated using whole numbers.

Non-IFRS Measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-IFRS performance measures, such as earnings before interest, taxes, depreciation and amortization ("EBITDA") or adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

These measures are not in accordance with IFRS and have no standardized definitions, and as such, our computations of these non-IFRS measures may not be comparable to measures by other reporting issuers. In addition, Company's method of calculating non-IFRS measures may differ from other reporting issuers, and accordingly, may not be comparable.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is used as an alternative to net income because it includes major non-cash items such as interest, taxes and amortization, which management considers non-operating in nature. A reconciliation of EBITDA to IFRS net income is presented under the section Results from Operations of this MD&A.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is used as an alternative to net income because it excludes major non-cash items such as amortization, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. A reconciliation of adjusted EBITDA to IFRS net income is presented under section Results from Operations of this MD&A.

EBITDA and Adjusted EBITDA are measured used by management as inputs in our internal metrics and in evaluating our ability to satisfy the Company's obligations. EBITDA and Adjusted EBITDA are used as alternatives to IFRS net income (loss) because it excludes major non-cash items (including depreciation and amortization, interest, taxes and share-based payments) and other items that management considers non-operating in nature.

Management believes that these measures are helpful to investors because they are widely recognized measuresof Company's performance and provides a relevant basis of comparison to other entities. In addition to IFRS results, these measures are also used internally to measure the operating performance of the Company.

Adoption of New and Revised Accounting Standards

At the date of authorization of the Company's financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, had not yet beenadopted by the relevant accounting body:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising*
from a Single Transaction	

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Results From Operations

Select annual information

The following table provides selected financial information from the Financial Statements of the Company for the years ended December 31, 2022, 2021 and 2020:

Profit or loss

	For the 6-month period ended 30-06-2023	**For the 6-month period ended 30-06-2022**	**For the 3-month period ended 30-06-2023**	**For the 3-month period ended 30-06-2022**
	CAD	CAD	CAD	CAD
REVENUES	130	194	3	15
DIRECT COSTS	60	294	22	105
GROSS PROFIT	70	-100	-19	-90
EXPENSES				
Research and development	74	193	5	51
Other costs	1	-	-	-
Selling, general and administrative and others	329	343	144	170
	-333	-636	-168	-311
OTHER ITEMS				
Finance expense (income), net	-31	129	-94	12
Foreign currencies translation adjustments	-52	-102	-28	-71

	-83	27	-122	-59
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	-416	-609	-290	-370
LOSS PER SHARE				
Basic and diluted	-0.38	-0.58	-0.27	-0.34

(a) Select annual information (cont'd)

Financial position

	2023-06-30	2022-06-30
Total assets	864	1,246
Total liabilities	171	197
Working capital	668	1,011

Revenues

The main source of StickIt's revenue comes from the sale of the proprietary technology licences to distributors and its Extra-C sticks through its website https://stickit-labs.com/ and sale of its products through distributors and retailers specializing in the distribution of cannabis products and cigarettes. At the end of 2021 StickIt approached commercialization stage with a soft launch of its flagship Extra-C sticks in Europe. Subsequently, StickIt appointed distributors of its products in 20 European countries.

For the 6 and 3 months ended June 30, 2023, total revenues amounted to 130 CAD and 3 CAD respectively, compared to 194 CAD and 15 CAD for the 6 and 3 months ended June 30, 2022. All the revenues have been generated by selling the licenses for distribution of Extra-C stick in US and Europe.

StickIt continues to develop its wide range of products, including, without limitation, testing the products, experimenting new flavors, strengths and product configurations, and working on new production method.

Direct costs and gross profit

Direct costs consist primarily of the cost of recurring subscriptions, support, costs related to providing Company's cloud-based applications and delivering application support to customers.

For the 6 and 3 months ended June 30, 2023, direct costs amounted to 60 CAD and 22 CAD respectively, compared to 294 CAD and 105 CAD respectively for the 6 and 3 months ended June 30, 2022. The decrease was driven primarily by the decrease in the import and export expenses as well as payroll and professional services..

	For the 6-month period ended 30-06-2023	**For the 6-month period ended 30-06-2022**	**For the 3-month period ended 30-06-2023**	**For the 3-month period ended 30-06-2022**
	CAD	CAD	CAD	CAD
Purchase of goods	4	33	0	6
Payroll	8	66	5	43
Rent and maintenance	23	17	14	(0)
Depreciation	8	7	4	4
Import and export	0	93	0	0
Professional services	12	32	1	28
Operating and other expenses	7	46	0	23

	60	294	22	105

In general, the cost of goods for these periods is associated with Start-up costs incurred at the beginning of the business operations. Thus, the company's current gross margin is relatively low and not fully representing the future potential.

Research and development

	For the 6-month period ended 30-06-2023	For the 6-month period ended 30-06-2022	For the 3-month period ended 30-06-2023	For the 3-month period ended 30-06-2022
	CAD	CAD	CAD	CAD
Professional fees	12	163	5	43
Marketing and advertising	4	0	0	0
Raw material	6	18	0	1
Share-based payments	52	0	0	0
Other expense	0	13	0	8
	74	193	5	51

For the 6 and 3 months ended June 30, 2023, research and development expenses amounted to 74 CAD and 5 CAD respectively, compared to 193 CAD and 51 CAD respectively for the 6 and 3 months ended June 30, 2022. The decrease was driven primarily by the decrease in professional fees that was partly replaced by the share-based compensation.

Research and development expenses consist primarily of personnel-related expenses including new products and new configurations development as well as production method improvements. Ourresearch and development team are focused on both continuous improvement of our production method, as well as developing new product flavors, configurations and solutions. In the immediate future, as the Company's growth continues, we expect our research and development costs to increase proportionately.

Selling, general and administrative expenses

	For the 6-month period ended 30-06-2023	For the 6-month period ended 30-06-2022	For the 3-month period ended 30-06-2023	For the 3-month period ended 30-06-2022
	CAD	**CAD**	**CAD**	CAD
Payroll	97	111	57	62
Share-based payments	43	127	0	51
Marketing and advertising	13	13	7	11
Professional fees	145	19	67	4
Other expense	32	72	12	41
	330	**343**	**144**	**170**

Selling, general and administrative expenses for the 6 and 3 months ended June 30, 2023, amounted to 330 CAD and 144 CAD respectively, compared to 343 CAD and 170 CAD respectively for the 6 and 3 months ended June 30, 2023. The slight decrease was impacted by the =decrease in the share- based compensation and payroll while the professional fees has been increased.

In January of 2023, Mr. Eli Ben Harosh, CEO and the founder of the Company, exercised a total of 100,500 stock options of the Company previously granted to him, into a total of 100,500 Ordinary shares of the Company.
The exercise price under the option is 0.01 NIS represent the nominal (par) value of an Ordinary Share.

On January 2022, the Company's Board of Directors approved a share option plan (the "2022 ESOP") to grant certain employees and service providers of the Company options to purchase 33,790 Ordinary shares of the Company, at nominal value of 0.01 NIS par value.

.

For the 6 and 3 months ended June 30, 2023, financial expenses amounted to 196 CAD and 107 CAD respectively, compared to 61 CAD and 218 CAD respectively for the 6 and 3 months ended June 30, 2022. The change was mainly the result of the exchange rate differences and foreign currency translation adjustment which is not a material expense.

Operating loss

For the 6 and 3 months ended June 30, 2023, operating loss amounted to 416 CAD and 290 CAD respectively,

(f) Finance costs

	For the 6-month period ended 30-06-2023	For the 6-month period ended 30-06-2022	For the 3-month period ended 30-06-2023	For the 3-month period ended 30-06-2022
	CAD	CAD	**CAD**	CAD
Interest expense	30	20	29	-15
Exchange rate differences	0	-149	-65	-3
Foreign currencies translation adjustments	52	102	28	71
	21	**-67**	**-66**	**83**

compared to 609 CAD and 370 CAD respectively for the 6 and 3 months ended June 30, 2022. The decrease in loss was primarily attributed to the decrease in cost of goods and the research and development expenses and was partly offset by the decrease in the revenues.

Summary of Quarterly Results

Stickit is not a reporting issuer and has not prepared quarterly financial statements for its 8 most recently competed quarters.

Material Transactions

Investment in Associate Joint Venture Company

On January 2022 the Company entered into investment agreement with Hempacco CO. whereby, the Company invest CAD 101 thousand in Stick-It USA, Inc (out of USD 250 thousand agreed investment in share capital) and Hempacco invested USD 200 thousands; for the issuance of 50% of the outstanding and issued share capital for each of the joint parties. According to the investment agreement the Company and Hempacco have joint control over the Stick-it USA. The Company committed to provide Stick-it USA a license to the Company IP and license to distribute CBD Sticks within USA and Mexico.

The Company and Stick-it US will enter into manufacturing and supply agreement, whereby Stick-it USA will pay USD 250 thousands for service rendered by the company, necessary equipment for manufacturing of CBD Sticks, training, and material for producing 30,000 Stickit products.

As of the date of the financial position the Company has fulfilled all the above commitments to Stick-it USA and recognized revenue related to the payment of proceed by Stick-it USA. As of the date of the statement of financial position Stick-it USA has not yet commence business activities, in the USA and Mexico.

Pursuant to the investment agreement, upon the execution date of the investment agreement, Green Globe International, Inc. (hereafter: "GGII") the parent company of Hempacco Co. issued to each of Mr. Asher Holzer, President of the Company and Mr. Eli Ben Haroosh, CEO of the Company the following executed warrants: (i) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable on their issuance date; (ii)) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $5,000,000 or above in total and for 5 years thereafter; and (iii) 25,000,000 5-years warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $10,000,000 or above in total and for 5 years thereafter. At warrant granting date, the exercise price of the warrants was out of the money, in relation to the stock price of GGII, and meeting the exercise conditions by GGII was considered remote. Accordingly, the Company estimated the warrants fair value as immaterial amounts for recognition of stock-based compensation.

Changes in Investment in associate joint venture company:

	2022
Balance at the beginning of the year	-
Investment	101
Equity in net loss	-186
Balance at the end of the year	85

Options Plan

As of June 2021, the Company granted in total 173,957 share options to its employees. The total fair value of the share options was approximately 4,430 thousand NIS. Of the above options, 60,673 vested during 2021, 78,284 vested in equal quarterly installments starting from the 1st quarter of 2021 and 35,000 vested in equal quarterly installments over 12 quarters starting from the 2nd quarter of 2021.

Also, a total of 55,000 of these options, with a vesting period of 8 quarters in equal in installments worth 1,423 thousand NIS, were granted to Eli Ben Haroosh, CEO and founder of the Company. On 16, November 2021, the Company granted an additional 45,500 share options to Eli Ben Haroosh, CEO and founder of the company. The total fair value of the 45,500 share options is approximately 1,167 thousand NIS. During a three-months period ended March 31, 2023, Mr. Ben-Haroosh exercised all of his stock options into a total of 100,500 ordinary shares of the Company. See Note 15 of Audited annual FS.

Liquidity and Capital Resources

Overview

The general objectives of our capital management strategy is to ensure financial stability and sufficient liquidity to increase shareholder value through organic growth and investment in sales, marketing and product development.

Liquidity and cash management

On March 25, 2021, StickIt concluded the public phase of its investment campaign in Israel through a crowd funding platform FundIt (2016) Ltd. In accordance with Israeli securities laws and issued a total of 85,200 StickIT Shares to a total of 602 subscribers at a price of 35 NIS per StickIt Share.

Since inception, the Company has incurred continuous losses from its business operations and has generated negative cash flows from operating activities. The Company has so far financed its operations mainly through equity resulting from capital raising. During the three years ended December 31, 2022, 2021 and 2020 the Company incurred negative cash flows of CAD 467, CAD 1,335 and CAD 197 from operation activities, respectively; and as of December 31, 2022, and 2021, the Company had a cash balance of CAD 995 and CAD 1,490, respectively.

As of December 31, 2022, the Company accumulated deficit of CAD 4,065 and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity. Hence the continuation of the Company's operations depends on raising the required financing resources or reaching profitability, which are not guaranteed at this point. The Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

To address the cash flow position, the Company`s Board of Directors and Management of the Company designed a business plan for 12 months of operations from the date of the financial position, and review the Company's forecast of operating results, cash flow projections and potential liquidity risks. Based the results of this review, the Company Board of Director and Management concluded that the Company have sufficient resources for the continuation of its activities and to meet its obligation in the foreseeable future. The Company expects to meet all its obligations and other commitments as they become due. The Company has various financing sources to fund operations and will continue to fund working capital needs through these sources until cash flows generated from operating activities is sufficient.

As at June 30, 2023, the Company had total assets in excess of total liabilities of 693 CAD (As at June 30, 2022 – 1,049 CAD).

Capital management framework

The Company defines capital as the aggregate of common shares and debt. The Company’s capital management framework is designed to maintain a level of capital that funds the operations and business strategies and builds long-term shareholder value. The Company’s objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks.

As at June 30, 2023, the Company had total shareholders ‘equity surplus of 643 CAD (As at March 31, 2022 – 1,049 CAD). The Company’s objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise.

Capital structure

The continuity of the Company’s capital structure is as follows:

	Shares	Consideration
Balance, as at December 31, 2022	877,925	3,101
Exercise of stock options	103,872	52
Balance, end of period	981,797	3,153

Contractual obligations

As at June 30, 2023, the Company had no debt guarantees, off-balance sheet arrangements or long-term obligations.

Significant Accounting Policies and Estimates

The Company’s significant accounting policies are described in Notes 2 of the audited annual Financial Statements. The preparation of the Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures as of the date of the Financial Statements. Actual results may differ from estimates under different assumptions and conditions.

Disclosure / Procedures / Internal Controls Over Financial Reporting

Inherent limitations

It should be noted that in a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Given the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by unauthorized acts of individuals, bycollusion of two or more people, or by management override.

Related Party Transactions and Balances

Key management includes the Company's directors, officers and any consultants with the authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly. The Company's related parties consist principally, Mr. Eli Ben Haroosh, CEO of the Company, and Dr. Asher Holzer, President of the Company.

During the years ended December 31, 2022, and 2021 key management personnel compensation consisting exclusively of short-term benefits as follows:

	2022	2021
	CAD	CAD
Total compensation paid to key management	328	220
Share-based payments		100
	328	320

Total compensation paid to key management is recorded in consulting fees and salaries and wages in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2022, and 2021.

During the three months ended March 31, 2023 the Company has not incurred any additional transactions.
Warrants granted in Henpacco agreement:

Pursuant to the terms of the investment agreement between the Company and Hempacco Co., Hempacco Co. upon the execution date of the investment agreement, Green Globe International, Inc. (hereafter: "GGII") the parent company of Hempacco Co. issued to each of Mr. Asher Holzer, President of the Company and Mr. Eli Ben Haroosh, CEO of the Company the following share purchase warrants: (i) 12,500,000 5- year warrants to purchase GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable on their issuance date; (ii)) 12,500,000 5- year warrants to purchase GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $5,000,000 or above in total and for 5 years thereafter; and (iii) 25,000,000 5-years warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $10,000,000 or above in total and for 5 years thereafter. At warrant granting date, the exercise price of the warrants was out of the money, in relation to the stock price of GGII, and meeting the exercise conditions by GGII was considered remote.

The patent assignment:

The Company developed, market and sale high-quality "Cannabis Sticks" based on a registered PCT patent no. 11582996 B2, for which the patent application was assigned to the Company for CAD 0.001 In January 2021 by Mr. Asher Holzer, President of the Company; designed to be inserted into any cigarette/joint of any kind. The cannabis stick is reminiscent of a toothpick, which allows it to be easily inserted into any cigarette. The stick consists of a source extract of cannabis ingredients (the "green plant") - and not oil-derived - it burns as fast as a cigarette and saves the cumbersome need of rolling and allows the user to consume more percent of active ingredients than any other product.

Balances with related parties:

All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

Financial Instruments and Risk Management

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company under the policies approved by the Board of Directors. On an ongoing basis, the finance department actively manages market conditions with a view to minimizing the exposure of the Company to changing market factors, while at the same time limiting the funding costs to the Company.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses information supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information and its own records to rate its customers.

The Company is exposed to credit risk from its operating activity (primarily trade receivables) and from its financing activity, including deposits with banks and other financial institutions. At this point of time the credit risk of the company is not significant as the company doesn't possess any significant short term financial assets as well as short

	2022	2021
Other accounts payable	-49	-1

term financial liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities. Forecasts of operating results and cash flow projections were prepared for the period of 12 months from the date of approval of the financial statements. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

The Company's policy is to seek to ensure adequate funding is available from operations and other sources, including debt and equity capital markets, as required.

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. The Company is exposed to fair value risk with respect to debt which bears interest at fixed rates.

Foreign exchange rates

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates to the Company's continuing operation (when revenue or expense is recognized in a different currency from the Company's functional currency) as well as to fluctuations of financial instruments related to cash, accounts and other receivables, debt and accounts payable denominated in foreign currencies.

Fair value measurement

Fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the assets or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
Level 3 – inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data.

Risks and Uncertainties

The are several risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about as of the date of this MD&A, or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks occur, the Company's business may be harmed, and its financial condition and the results of operation may suffer significantly.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to the COVID-19 pandemic. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of the novel coronavirus known as COVID-19, or a fear of any of the foregoing, could adversely impact the Company. It is unknown whether and how the Company may be affected if such an epidemic persists for an extended period. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

To protect the health and safety of our employees, the majority of our workforce is currently working from home, and we have placed restrictions on non-essential business travel. We have implemented business continuity plans and have increased support and resources to enable employees to work remotely and thus far have been able to operate with minimal disruption.

Risks relating to current operations.

Stickit activities will be subject to operational risks that include competition from other businesses, performance of key suppliers, product performance warranties, regulatory risks, successful integration of new acquisitions and dependence on key personnel, all of which could affect the Issuer's ability to meet its obligations.

The Company is in the development stage with little operating history.

As the Company is in the initial stage of generating revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. In addition, the Company intends to operate in the technology industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers. Therefore, the Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and likelihood of success must be considered considering the early stage of operations.

Going concern

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favorable terms and there is therefore no guarantee that the Company will be able to sustain its ongoing operations in the future.

Competition

StickIt operates and expects to continue to operate in highly dynamic market that is characterized by a growing number of competitors working in the same product category. The smoking utensils industry, including, without limitation, cannbis industry, is highly competitive. Many of Stickit competitors for the acquisition, production and development of smoking utensils, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the company.

To the knowledge of management of StickIt, the main direct competitor of StickIt is an Israely company Trichom Shell. Trichom Shell pours cannabis oil into a mold in the shape of an oil stick. Management of STickIt believes that Extra-C stick's primary advantage is its technology that uses insulated powder and liquid and does fusing - impregnation and not solidification. However, current new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results, and financial condition.

Reliance on Various Suppliers

The operations of the Company will require significant resources and the business will be heavily dependent on its key suppliers. If The company was, for any reason to be unable to maintain a business relationship with its key suppliers, its business and financial condition may be materially adversely affected.

To date, StickIt has not experienced any difficulties in obtaining adequate supplies from its suppliers. The company will attempt to assure the availability of many of its products by contracting in advance for its annual requirements.

No History of Earnings

The Company, StickIt and Resulting Issuer has no history of earnings, and there is no assurance that any of the current or future products and technological developments of the company will generate earnings, operate profitably or provide a return on investment in the future.

Risk Associated with Foreign Operations in Other Countries

The company's primary revenues are expected to be achieved in Israel, Europe and Canada. . However, The company may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the company's business.

Stickit intends to expand internationally. As a result, it is expected to become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which the company operates or imports or exports products or materials. In addition, Stickit may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. The company's failure to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on its business, financial condition and results of operations. If the company's sales or operations were found to be in violation of such international regulations, it may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of its operations or asset seizures and the denial of regulatory applications.

Risks The company may face in operating in foreign jurisdictions include unforeseen government actions, acts of God, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

Industry risk

The industry of smoking utensils involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of Stickit management.

Development of new products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Effective commercialization

There is a risk that the technology and the Company's products will not perform as expected in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return onits technology development.

Technical risks

Technical risks are inherent in the development and commercialization process, in that an immature technology could present unexpected challenges that exceed the planned time or financial resources to overcome. There canbe no guarantee that the Company will be able to overcome technical risks associated with the development of itstechnology.

Technological Advances

The industry of smoking utilities is susceptible to significant technological advances and the introduction of new products utilizing new technologies. Further, this industry is also subject to changing industry standards and market trends and to competitive pressures. Due to rapid changes, Stickit's success will depend in part on its ability to develop and market products and services that respond in a timely manner to the technological advances and health industry standards.

Technology and Intellectual Property

Stickit will rely on the protection of its intellectual property rights and the rights of third parties from which it has licensed intellectual property rights for its success. Notwithstanding precautions that Stickit may take to protect its rights, third parties may copy or obtain and use the company's proprietary and licensed technologies, ideas, know-how and other proprietary information without authorization, or may independently develop technologies or other intellectual property similar or superior to the company's proprietary and licensed technologies and other intellectual property. Stickit will have a policy of entering into confidentiality and non-competition agreements with its employees, strategic partners and clients. However, these agreements may not provide meaningful protection of Stickit's proprietary and licensed technologies or other intellectual property in the event of unauthorized use or disclosure. Policing unauthorized use of such technologies and intellectual property is extremely difficult and expensive. Furthermore, the laws of jurisdictions other than Canada and Israel may not provide meaningful protection of Stickit's and such third parties' intellectual property rights.

Key personnel

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

Government Regulations

Successful execution of Stickit's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintaining and renewing its licences. Although Stickit will position itself as a technology company certain aspect of its operation will rely on cannabis industry. Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require the company to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the company's business. StickIt cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on their business. Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions, including in countries that the Stickit Issuer plans to distribute its products.

In addition, the operations of Stickit may require licenses and permits from various governmental authorities, including in foreign jurisdictions. There can be no assurance that the company will be able to obtain all necessary licenses and permits that may be required to carry out the development of its products.
Foreign Currency Fluctuations

The company will consolidate the accounts of its foreign subsidiaries that will generate a significant portion of its revenue with customers based in countries outside Canada, will contract with suppliers and customers in currencies other than the Canadian dollar, and will carry monetary balances in foreign currencies. Any material fluctuation in the Canadian dollar relative to other currencies, particularly NIS, could have a negative impact on The company's revenue, receivables, cost of sales, working capital position and earnings.

Variable Demand

StickIt believes that demand for smoking utensils, including Extra-C Sticks, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond its control. Any significant or prolonged decrease in consumer spending on smoking products and activities could adversely affect the demand for StickIt's product offerings, reducing its cash flows and revenues. If StickIt experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Product Liability

Resulting Issuer's products will be produced for sale both directly and indirectly to end consumers, and therefore it might face an inherent risk of exposure if product liability claims, regulatory action and litigation of Resulting Issuer's products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human use of The company's products alone or in combination with other medications or substances could occur. Teh Resulting Issuer may be subject to various product liability claims, including, among others, that our products caused injury or illness or include inadequate instructions for use or warnings concerning possible side effects or interactions with other substances. A product liability claims or regulatory action against The company could result in increased costs to produce its products and could have a material adverse effect on its business and operational results.

Changing Consumer Preferences

As a result of changing consumer preferences, many smoking, cannabis or other innovative products attain financial success for a limited period of time. Even if the company's products find some retail success, there can be no assurance that any of its products will continue to see extended financial success. The company's success will depend upon its ability to develop new and improved product lines.

Unfavourable Publicity

Smoking industry in general and cannabis industry in particular, is extremely dependent upon consumer perception regarding the safety, efficacy and quality of the products and perceptions of regulatory compliance. Consumer perception of smoking products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the smoking utensils market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the company's products and its business, results of operations, financial condition and cash flows.

Additional Labeling or Warning Requirements on our Products

Various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of the company's products relating to the content or perceived adverse health consequences of the company's products. Federal laws may pre-empt some or all of those attempts by state/provincial or localities to impose additional labeling or warning requirements. If these types of requirements become applicable to the company's products under current or future environmental or health laws or regulations, they may inhibit sales of The company's products. Moreover, if the company fails to meet compliance deadlines for any such new requirements, its products may be deemed misbranded or mislabeled and could be subject to enforcement action, or The company could be exposed to private lawsuits alleging misleading labels or product promotion.
Financial Risks

Management believes that the financial resources of the company will be at a sufficient level to cover all of its operating and financial costs in connection with the implementation of the short-term business plans of the company. However, there can be no assurance that growth will be achieved at such levels or that additional financial resources may not be required due to unforeseen circumstances or a change in the business plans of the company.

Additional Financing

The company may acquire additional financing in order to make further investments or take advantage of future opportunities. The ability of the company to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the company. They can be no assurance that the company will be successful in its efforts to arrange additional financing on terms satisfactory to the company. If additional financing is raised by the issuance of shares or other forms of convertible securities from the treasury, control over the company may change and the Shareholders may suffer additional dilution. If adequate funds will not be available, or will not be available on the accepted terms, The company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Conflict of Interest

Certain directors of the company are or may become associated with other companies which may give rise to conflicts of interest. In accordance with the BCBCA, a director or officer who is a party to a material contract or proposed material contract or is a director or officer of or has a material interest in any entity who is a party to a material contract or a proposed material contract with the company is required, subject to certain exemptions, to disclose that interest and generally to abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interest of the company. All of the outside directors of the company have either other full-time employment or other business or time restrictions placed on them and accordingly, the company will not constitute the only business interest of such directors.

Payment of Dividends

The future payment of dividends on the company Shares will be dependent upon the financial requirements of the company to finance future growth, the financial condition of the company and other factors which the Board of Directors of the company may consider appropriate in the circumstances. The payment of dividends in the future is uncertain.

Financial reporting and internal controls

Upon the completion of the listing, Company will become subject to reporting and other obligations under applicable Canadian securities laws and exchange rules. These reporting and other obligations will place significant demands on Company's management, administrative, operational, and accounting resources.

To meet such requirements, Company is working with its legal, accounting, and financial advisors to identify areas in which changes should be made to Company's financial management control systems. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. Company has made, and will continue to make, changes in these and other areas, including Company's internal controls over financial reporting. If Company is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause Company to fail to meet its reporting obligations or result in material misstatements in its financial statements. If Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the reported financial information, which could lower share prices. There can be no assurance that internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within the Company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Dilution

Current shareholders will experience significant dilution to their shareholdings as a result of the Acquisition and the Listing. Moreover, should the company require additional funds, it is likely that to obtain the necessary funds The company will have to sell additional securities, including but not limited to, common shares or some form of convertible security, the effect of which would result in a substantial further dilution of the present equity interests of the shareholders. Further dilution may occur if the company chooses to conclude further acquisitions of businesses in the future and to pay for such acquisitions by the issuance of common shares.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Dependence on suppliers and skilled labor

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labor, equipment, parts and components.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other companies in the same or related industries which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business, or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

Research and development

We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain and develop our solutions and maintain and enhance our competitive position. We recognize the costs associated with these research and development investments earlier than the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we spend significant resources on research and development and are unable to generate an adequate return on our investment, our business, financial condition and results of operations may be materially and adversely affected.

Enforcement of Judgments Against Foreign Persons

A number of the proposed directors and officers of the company reside outside of Canada. Some or all the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Global economic risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting our 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. 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 trading price of the Company Shares on the stock exchange.

Economic environment

The Company's operations could be affected by the economic context 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 prospects of such areas might be different from those predicted by the Company's management.

Risks associated with acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may exposeit to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Political environment

The Company's core business operations are in Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. As a result, the Company is vulnerable to the political, economic, legal, regulatory, and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighbouring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect the Company's business, results of operations and financial condition.

To date, such conflicts have not had a material effect on business, results of operations or financial condition. In addition, the Company may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings.

Furthermore, there are a number of countries, primarily in the Middle East, including Malaysia and Indonesia that restrict business with Israel or Israeli companies. There may also be certain countries, businesses or other global movements that may exert pressure on the Company's partners, customers or others not to do business with Israel or Israeli companies. Restrictive laws policies or movements directed towards Israel or Israeli businesses could have a material adverse effect on the Company's business, results of operations and financial condition.

Emerging market

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

The Company's core business operations are located in Israel, which has a history of military instability. While there is no current instability, this is subject to change in the future and could adversely affect the Company's business, financial condition, and results of operations. Fluctuations in the Israeli economy and actions adopted by the government of Israel may have a significant impact on companies operating in Israel, including the Company. Specifically, the Company may be affected by inflation, foreign currency fluctuations, regulatory policies, business, and tax regulations and in general, by the political, social and economic scenarios in Israel and in other countries that may affect Israel.

Income taxes

The Israeli corporate tax rate was 23% for the years ended December 31, 2022 and 2021. This tax rate could be changed by government decisions and tax regulations, which could have a material effect on the Company's profitin the future.

Limitation of statute on the Company's tax reports for the years ended December 31, 2022, and 2021. The general limitation of statute on tax reports in Israel is four years, and therefore the Company's tax reports for the years ended December 31, 2021, and 2020 could still be assessed by the Israeli Tax Authority.

Contingencies and Commitments

The Company is not contingently liable with respect to litigation, claims, and environmental matters, including those that could result in mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to the statements of loss and comprehensive loss as and when such determination is made.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Company's audit committee and Board of Directors. The accompanying financial statements are prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of four non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Management's Discussion & Analysis for the year ended December 31, 2022 (Expressed in Thousands of Canadian Dollars)

Introduction

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the results of operations and financial condition of Stickit Limited INC. for the years ended December 31, 2022. This MD&A is dated June 29, 2023 and should be read in conjunction with the audited annual financial statements and related notes for the year ended December 31, 2022 (the "Annual Financial Statements"). Unless the context indicates otherwise, references to "Stickit", "the Company", "we", "us" and "our" in this MD&A refer to Message Notify Ltd. and its operations.

Forward-Looking Information

Certain information included in this MD&A contains forward-looking information within the meaning of applicable securities laws. This information includes, but is not limited to, statements made in *Business Overview and Strategy, Results from Operations, Debt Profile* and other statements concerning Company's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, or similar expressions suggesting future outcomes or events or the negative thereof. Such forward-looking information reflects management’s beliefs and is based on information currently available. All forward-looking information in this MD&A is qualified by the following cautionary statements.

Forward looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond Company’s control, affect the operations, performance and results of the Company, and could call actual results to differ materially from current expectations of estimated or anticipated events or results.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable and represent the Company’s projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Company’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or impliedby such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: Business Overview*,* Results from Operations*,* Liquidity and Capital Resources*,* Capital Structure. See Risks and Uncertainties for further information. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this MD&A is made as of the date of this MD&A and should not be relied upon as representing Company’s views as of any date subsequent to the date of this MD&A. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Business Overview and Overall Performance

Business overview

Stickit was incorporated on October 2, 2019, under incorporation number 516091360 in Israel under the Israeli Company Act and is a private technology company existing under the laws of the State of Israel. StickIt’s primary business is the technological development and manufacturing of smoking utensils containing plant extracts and in particular the Extra-C sticks. Currently, derived from a proprietary production process, Extra-C stick offers condensed cannabis oil in a unique matrix giving it just the right rigidity, similar to a toothpick that instantly converts a regular cigarette into a cannabis/hemp cigarette. Once inserted, Extra-C stick burns at the same rate as the cigarette. The principal assets of StickIt are various patents and patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes.

The facilities of StickIt are currently located in Dalton, Northern Israel, where StickIt currently leases 110 m2 of industrial building for the purpose of its current manufacturing and packaging operations. In addition, on January 30, 2023, StickIt entered into a joint venture agreement with two individuals for the purpose of forming a private company for Extra-C sticks manufacturing at the industrial facilities of those individuals in Bangkok, Thailand.

Growth strategy

Stickit is a technology company, and its operating model is to establish joint ventures in countries around the world where recreational cannabis is permitted. Each licensee/joint venture partner will establish a production facility in which they will add the cannabis content to sticks produced and supplied by Stickit. As part of the agreement StickIt is expected to provide the joint venture with the know-how required to manufacture the finished product. The licensee is expected to pay a setup fee by investing the funds necessary to set up the local production facility. Each licensee will have exclusive rights to produce and market Stickit products in their designated territory.

StickIt utilizes its production facility in Northern Israel to produce all the raw materials, except the cannabis, required to produce the Extra-C sticks. The raw materials are supplied to joint venture partners each located in regions selected according to their size and favorable regulation for recreational cannabis. The licensee/joint venture partner will produce the finished product, adding cannabis to the raw materials, and will sell them either directly to the points of sale or through distributors. Following the initial set-up costs the ownership of the joint venture shall be 50% StickIt and 50% local partner. The straightforward nature of the production process will make local production, using locally grown cannabis, quick and economically reasonable.

Each Joint Venture will recruit a team of business development and marketing executives who will aim to (i) locate the right network of distributors in each region, map the point of sale and carry out market research to gauge local demand; (ii) sign sub-service agreements with licensed distributors in each territory if required; (iii) and work closely to support points of sale with a view to maximizing sales and create pull marketing where such point of sale will drive demand from the distributors for increasing volumes of product. Marketing departments of such joint ventures are expected to create “local marketing materials” to be compliant with the local regulations. The operations department of such joint venture is expected to arrange for local packing & delivery in accordance with local law.

StickIt’s licensees are expected to study local demand and preference is expected be given to a long-term supply agreement exploiting the unique ability of StickIt to supply product at a consistent quality and composition.

It is recognized that advertising may not be allowed, especially in the US, and therefore the marketing strategies will be multi-level including:

(a) Public Relations – extensive campaigns to build awareness of the product, utilizing TV and online media.
(b) Events – including conferences and demos.
(c) Point of Sale – promotional material.

Proprietary Protection

The development, licensing, and protection of intellectual property is a core part of StickIt’s business strategy and is a key element to its success. StickIt intends to seek appropriate patent protection and intellectual property protection for its business, as well as other proprietary technologies and their uses, by filing applications with the European Union, the U.S., Canada, Israel and selected other countries.

StickIt has invested significant resources towards developing a recognizable and unique brand consistent with premium, high-end products in other industries. StickIt currently has five patent applications with respect to the plant extracts and therapeutic compounds in smoking utensils and in honey complexes, as described in the table below:

Country	Application Number	Date	Status
USA	US11,582,996 B2	02/21/2023	Granted
Brazil	BR 1120210014560	7/25/2023	RFE filed. Awaiting first Office Action.
Canada	CA 3107730	02/12/2023	Awaiting
Israel	IL 280409	08/18/2022	Awaiting
Europe	P22361EPPC	05/09/2023	Granted
South Africa	ZA 2022/09265	07/25/2022	Granted

On February 21, 2023, StickIt was granted a US patent under registration US11,582,996 B2 in connection with the plant extracts and therapeutic compounds in smoking utensils.

On May 9, 2023 StickIt was notified by the examining division of European Patent Office, that is was granted a European patent in connection with the plant extracts and therapeutic compounds in smoking utensils in 38 European countries, including Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey and United Kingdom.

StickIt’s business practices protect its intellectual property rights through confidentiality policies and provisions and the use of appropriate restrictive covenant agreements with, among others, StickIt’s contractors, consultants and customers. StickIt actively seeks to protect and enforce its intellectual property rights to prevent unauthorized use by third parties.

Investment in associate joint venture

On January 19, 2022, StickIt and Hempacco Co., Inc. ("Hempacco") entered into an arm's length joint venture agreement for the formation of Stick-It USA, Inc. under the laws of the State of Delaware ("Stick-It USA"), which will be held in equal parts by Stick-It and Hempacco. On September 7, 2022, the parties entered into an amendment to the Joint Venture Agreement. According to the Joint Venture Agreement and the amendment thereto Stick-It USA will engage in manufacturing, marketing and sale in the USA and Mexico of hemp smokable products, including StickIt's Extra-C sticks - a line of cannabinoid sticks for smokables. StickIt USA will rely on the licenses that Hempacco (its contract manufacturer) possess in order to perform the manufacturing and distribution. StickIt relies on Hampacco's contractual representations concerning performance in accordance with law. Hempacco is currently one of leaders in the production of herb and hemp cigarettes.

Subsequently, on December 19, 2022, and in anticipation of completion of the Acquisition, Aquazoom and Hempacco entered into an exclusive master distribution agreement, for the marketing and distribution by The company of Hempacco's hemp smokable products and CBD products under various brands owned by Hempacco exclusively in the State of Israel and Canada and non-exclusively in Europe, provided the Resutling Issuer aquire the necessary licenses and permits, if required. The term of the exclusive master distribution agreement is 5 years plus one renewal term of 5 years.

Reverse takeover

On September 13, 2022, the Company and Stickit entered into a business combination arrangement, pursuant to which, a wholly owned subsidiary of Aquazoom to be incorporated pursuant to the laws of Israel solely for that person, will amalgamate with StickIt.

The principal assets of StickIt are various patent applications with respect to plant extracts and therapeutic compounds in smoking utensils and in honey complexes,. All those patent applications are currently pending.

In accordance with the terms and conditions of the Agreement, Subco is expected to amalgamate with StickIt, and in connection with the Acquisition, Aquazoom will issue 106.0512 Aquazoom Shares for each Stick Share (the "Payment Shares"), being approximately 87.61% of the issued and outstanding share capital assuming no StickIt Warrants are exercised and 88.26% of the issued and outstanding share capital assuming all of StickIt Warrants are exercised (same percentage on a fully diluted basis) of the Company post completion of the Acquisition, at a deemed price of $ $0.430445 per Payment Share, for aggregate deemed consideration of $44,818,264 . Following the closing of the Acquisition, StickIt will become a wholly owned subsidiary of the Company. In addition, following the Closing, the Company will issue and 106.0512 incentive Options to officers, director and employees of StickIt in exchange for each currently outstanding StickIt Options. In total, a total of 23,232 Finder Warrants and 5,249,535 Options are expected to be issued. The terms of the exercise of Finder Warrants and Options shall be consistent with the terms of the originally issued underlying StickIt securities.

The Acquisition will constitute a reverse takeover transaction. The closing of the Acquisition pursuant to the Agreement is subject to fulfilment of certain conditions, including:

(a) issuance of a receipt from the BCSC for the final Prospectus;
(b) receipt of conditional acceptance of the CSE of the Listing;
(c) receipt of all required regulatory, shareholder, corporate and third-party approvals including any CSE approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the Acquisition;
(d) receipt of an exemption by the Israeli Securities Authority from filing a prospectus by the Company in Israeli vis a vis the issuance of its securities to the Stickit Shareholders and other securities holders.
(e) receipt by the Stickit shareholders, its other securities holders and Stickit a favorable Israeli tax pre-ruling to their full satisfaction providing that the consummation of the Acquisition and Financing (defined therein) shall constitute a deferred tax event for Stickit and Stickit shareholders and other securities holders which shall not obligate them to

pay any tax amounts prior to receiving actual funds resulting from the sale of the Company's shares received by them in exchange for their Stickit Shares and Stickit convertible securities (the "Ruling"); and

(f) such other conditions under the Agreement customary to these types of transactions.

Upon the Closing of the Acquisition, the business of StickIt will become the business of the Resulting Issuer. The Resulting Issuer will own 100% of StickIt and the StickIt Shareholders will become shareholders of The Resulting Issuer. Effective and conditional upon the Closing of the Acquisition, certain nominees of StickIt will have been appointed on the Board of the Resulting Issuer.

Management and key employees

Eli Ben-Haroosh - President, CEO and Director

Mr. Ben-Haroosh is a seasoned executive and prior to joining STickIt he served as President of Vonetize PLC, a cannabis cultivation company in Colorado, USA, listed on the Tel-Aviv Stock Exchange. In the previous 7 years served as VP and CEO of Premier – Dead Sea and was responsible for sales in 74 countries and in close to 1,000 points of sale generating tens of millions of dollars a year. MR. Ben-Haroosh currently serves as the director of several companies. and as the president of Mariana Inc. and Zero Candida. He holds a degree in business management from Ben Gurion University of the Negev.

Asher Holzer – Founder and Director

Mr. Holzer has over 30 years' experience in management of both private and public corporations in the medical device and the biotech industry. His expertise covers a wide range of activities including product development, clinical studies, regulatory affairs and marketing. Asher founded several successful bio-tech companies and served as their chairman and president. These included InspireMD (NYSE MKT: NSPR), a medical device company which improves treatment of patients undergoing heart stenting and UroGen Pharma (NASDAQ: URGN) focusing on developing therapies for urological pathologies. Asher was part of the management team of Biosense which was acquired by Johnson & Johnson in 1997 and became the worldwide market leader in developing and marketing products for the diagnosis and treatment of cardiac arrhythmias. He holds a Ph.D. in Applied Physics and a M.Sc. in Material Science from Hebrew University in Jerusalem, Israel. He holds several granted and pending patents, mainly in the fields of interventional cardiology and urology.

Sophya Galper-Komet– CFO, Corporate Secretary and Director

Ms. Galper-Komet is a seasoned executive and currently a founder of Wisdom Star, a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors in a wide variety of industries. Prior to that she has served as Chief Operating Officer of a private real estate investment company. With over 20 years of experience working on different angles of capital markets and private equity, her expertise in developing diverse funding solutions to corporate issuers includes initial public offerings, bond offerings, M&A and private equity transactions. Ms. Galper-Komet has served as a director of numerous public companies and financial institutions including a chair of several board committees. Ms. Galper-Komet holds an MBA in Finance and Accounting and a BA in Economics and Psychology from Tel Aviv University.

Presentation of Financial Information and Non-IFRS Measures

Presentation of Financial Information

Unless otherwise specified herein, financial results, including historical comparatives, contained in this MD&A are based on the Company's Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFIRC"). Unless otherwise specified, amounts are in thousands of United States dollars and percentage changes are calculated using whole numbers.

Non-IFRS Measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-IFRS performance measures, such as earnings before interest, taxes, depreciation and amortization (“EBITDA”) or adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”).

These measures are not in accordance with IFRS and have no standardized definitions, and as such, our computations of these non-IFRS measures may not be comparable to measures by other reporting issuers. In addition, Company’s method of calculating non-IFRS measures may differ from other reporting issuers, and accordingly, may not be comparable.

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)

EBITDA is used as an alternative to net income because it includes major non-cash items such as interest, taxes and amortization, which management considers non-operating in nature. A reconciliation of EBITDA to IFRS net income is presented under the section Results from Operations of this MD&A.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)

Adjusted EBITDA is used as an alternative to net income because it excludes major non-cash items such as amortization, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. A reconciliation of adjusted EBITDA to IFRS net income is presented under section Results from Operations of this MD&A.

EBITDA and Adjusted EBITDA are measured used by management as inputs in our internal metrics and in evaluating our ability to satisfy the Company’s obligations. EBITDA and Adjusted EBITDA are used as alternatives to IFRS net income (loss) because it excludes major non-cash items (including depreciation and amortization, interest, taxes and share-based payments) and other items that management considers non-operating in nature.

Management believes that these measures are helpful to investors because they are widely recognized measuresof Company’s performance and provides a relevant basis of comparison to other entities. In addition to IFRS results, these measures are also used internally to measure the operating performance of the Company.

Adoption of new and revised accounting standards

At the date of authorization of the Company’s financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, had not yet beenadopted by the relevant accounting body:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising*
from a Single Transaction	

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Results From Operations

Select annual information

The following table provides selected financial information from the Financial Statements of the Company for the years ended December 31, 2022, 2021 and 2020:

Profit or loss

	2022	2021	2020
	CAD	CAD	CAD
REVENUES	564	7	-

DIRECT COSTS	420	203	-
GROSS PROFIT	144	-196	-
EXPENSES			
Research and development	253	240	149
Selling, general and administrative and others	592	2,682	46
Other Expenses (income)	1	(1)	-
	-701	-3,118	-195
OTHER ITEMS			
Finance expense (income), net	-154	-281	3
		-9	-0
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	-806	-3,399	-192
LOSS PER SHARE			
Basic and diluted	-0.85	-4.09	-0.29

	2022	2021
	CAD	CAD
Revenue from sales and services to associated joint venture company (To U.S)	370	-
Revenue from sales (To Europe)	194	7
	564	7

Revenues

The main source of StickIt's revenue comes from the sale of its Extra-C sticks through its website https://stickit-labs.com/ and sale of its products through distributors and retailers specializing in the distribution of cannabis products and cigarettes. At the end of 2021 StickIt approached commercialization stage with a soft launch of its flagship Extra-C sticks in Europe. Subsequently, StickIt appointed distributors of its products in 20 European countries.

For the year ended December 31, 2022, total revenues amounted to 564 CAD, compared to $Nil for the year ended December 31, 2021. All the revenues have been generated by selling the licenses for distribution of Extra-C stick in US and Europe.

StickIt continues to develop its wide range of products, including, without limitation, testing the products, experimenting new flavors, strengths and product configurations, and working on new production method.

Direct costs and gross profit

Direct costs consist primarily of the cost of recurring subscriptions, support, costs related to providing Company's cloud-based applications and delivering application support to customers.

For the year ended December 31, 2022, direct costs amounted to 420 CAD, compared to 203 CAD for the year ended December 31, 2021. The increase was driven primarily by the increase in revenues and was a result of additional operational manpower as well as import and export expenses.

	2022	2021
	CAD	CAD
Purchase of goods	60	52
Payroll	102	2
Rent and maintenance	51	35
Depreciation	16	33
Import and export	76	-
Professional services	57	54
Operating and other expenses	58	27
	420	203

In general, the cost of goods for these periods is associated with Start-up costs incurred at the beginning of the business operations. Thus, the company's current gross margin is relatively low and not fully representing the future potential.

Research and development

	2022	2021
	CAD	CAD
Professional fees	212	167
Marketing and advertising	13	49
Raw material	19	14
Other expense	9	10
	253	240

For the year ended December 31, 2022, research and development expenses amounted to $253, compared to $240 for the year ended December 31, 2021. While the total amount remained on the similar level the mix of the items has changes due to the increase over the prior year in professional fees required the further development and decrease in the marketing and advertising costs (including focus groups initiatives, participation in exhibitions and etc.) compared to the previous year.

Research and development expenses consist primarily of personnel-related expenses including new products and new configurations development as well as production method improvements. Our research and development team is focused on both continuous improvement of our production method, as well as developing new product flavors, configurations and solutions. In the immediate future, as Company's growth continues, we expect our research and development costs to increase proportionately.

Selling, general and administrative expenses

	2022	2021
	CAD	CAD
Payroll	249	231
Share-based payments	186	1637
Marketing and advertising	11	242
Professional fees	44	456
Other expense	101	117
	591	2,683

Selling, general and administrative expenses for the year ended December 31, 2022, amounted to 591 CAD, compared to 2,683 CAD for the year ended December 31, 2021, a decrease of 2,242,000 CAD. The increase was primarily attributable significant share- based compensation to founders and employees as well as increased professional fees in anticipation of a transaction that has not materialized. On January 2022, the Company's Board of Directors approved a share option plan (the "2022 ESOP") to grant certain employees and service providers of the Company options to purchase 33,790 Ordinary shares of the Company, at nominal value of 0.01 NIS par value.

As of June 2021, the Company granted in total 173,957 share options to its employees. The total fair value of the share options is approximately 4,430 thousand NIS. Of the above options, 60,673 matured during 2021, 78,284 matured in equal quarterly installments starting from the 1st quarter of 2021 and 35,000 matured in equal quarterly installments over 12 quarters starting from the 2nd quarter of 2021.

Finance costs

	2022	2021
	CAD	CAD
Equity in net loss of investee	186	-
Finance expense	4	12
Finance income	-158	-3
Foreign currencies translation adjustments	73	272
	105	281

Also, a total of 55,000 of these options, with a vesting period of 8 quarters equal in installments worth 1,423 thousand NIS, were granted to Eli Ben Haroosh, CEO and founder of the Company. On 16, November 2021, the Company granted in total 45,000 share options to Eli Ben Haroosh, CEO and founder of the company. The total fair value of the 45,000 share options is approximately 1,167 thousand NIS. The share options granted are fully vested.

For the year ended December 31, 2022, financial expenses amounted to $105 CAD, compared to 281 CAD for the year ended December 31, 2021. Without taking into account the foreign currency translation adjustment, the change in the financial expenses was not significant. The amount of 186 CAD in equity in net loss of investee is related to Hempacoc Co transaction and were a result of the assignments of the US subsidiary tax losses and intercompany revenues between Israeli and US subsidiaries.

Operating loss

For the year ended December 31, 2022, operating loss amounted to 806 CAD, compared to $3,399 for the year ended December 31, 2021. The decrease in loss was primarily attributed to the generated revenues and the decrease in the share-based founders' compensation, that had one time character in the year 2021.

Summary of Quarterly Results

Stickit is not a reporting issuer and has not prepared quarterly financial statements for its 8 most recently competed quarters.

Material Transactions

Investment in associate joint venture company

On January 2022 the Company entered into investment agreement with Hempacco CO. whereby, the Company invest CAD 101 thousand in Stick-It USA, Inc (out of USD 250 thousand agreed investment in share capital) and Hempacco invested USD 200 thousands; for the issuance of 50% of the outstanding and issued share capital for each of the joint parties. According to the investment agreement the Company and Hempacco have joint control over the Stick-it USA. The Company committed to provide Stick-it USA a license to the Company IP and license to distribute CBD Sticks within USA and Mexico.

The Company and Stick-it US will enter into manufacturing and supply agreement, whereby Stick-it USA will pay USD 250 thousands for service rendered by the company, necessary equipment for manufacturing of CBD Sticks, training, and material for producing 30,000 Stickit products.

As of the date of the financial position the Company has fulfill all the above commitment to Stick-it USA and recognize revenue relate to the payment of proceed by Stick-it USA.

As of the date of the statement of financial position Stick-it USA has not yet commence business activities, in the USA and Mexico.

Pursuant to the investment agreement, upon the execution date of the investment agreement, Green Globe International, Inc. (hereafter: "GGII") the parent company of Hempacco Co. issued to each of Mr. Asher Holzer, President of the Company and Mr. Eli Ben Haroosh, CEO of the Company the following executed warrants: (i) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable on their issuance date; (ii)) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $5,000,000 or above in total and for 5 years thereafter; and (iii) 25,000,000 5-years warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $10,000,000 or above in total and for 5 years thereafter. At warrant granting date, the exercise price of the warrants was out of the money, in relation to the stock price of GGII, and meeting the exercise conditions by GGII was considered remote.
Accordingly, the Company estimated the warrants fair value as immaterial amounts for recognition of stock-based compensation.

Changes in Investment in associate joint venture company:

	2022
Balance at the beginning of the year	-
Investment	101
Equity in net loss	-186
Balance at the end of the year	85

Options plan

As of June 2021, the Company granted in total 173,957 share options to its employees. The total fair value of the share options was approximately 4,430 thousand NIS. Of the above options, 60,673 vested during 2021, 78,284 vested in equal quarterly installments starting from the 1st quarter of 2021 and 35,000 vested in equal quarterly installments over 12 quarters starting from the 2nd quarter of 2021.

Also, a total of 55,000 of these options, with a vesting period of 8 quarters in equal in installments worth 1,423 thousand NIS, were granted to Eli Ben Haroosh, CEO and founder of the Company. On 16, November 2021, the Company granted an additional 45,500 share options to Eli Ben Haroosh, CEO and founder of the company. The total fair value of the 45,500 share options is approximately 1,167 thousand NIS. During a three-months period ended March 31, 2023, Mr. Ben-Haroosh exercised all of his stock options into a total of 100,500 ordinary shares of the Company. See Note 15 of Audited annual FS.

Liquidity and Capital Resources

Overview

The general objectives of our capital management strategy is to ensure financial stability and sufficient liquidity to increase shareholder value through organic growth and investment in sales, marketing and product development.

Liquidity and cash management

On March 25, 2021, StickIt concluded the public phase of its investment campaign in Israel through a crowd funding platform FundIt (2016) Ltd. In accordance with Israeli securities laws and issued a total of 85,200 StickIT Shares to a total of 602 subscribers at a price of 35 NIS per StickIt Share.

Since inception, the Company has incurred continuous losses from its business operations and has generated negative cash flows from operating activities. The Company has so far financed its operations mainly through equity resulting from capital raising. During the three years ended December 31, 2022, 2021 and 2020 the Company incurred negative cash flows of CAD 467, CAD 1,335 and CAD 197 from operation activities, respectively; and as of December 31, 2022, and 2021, the Company had a cash balance of CAD 995 and CAD 1,490, respectively.

As of December 31, 2022, the Company accumulated deficit of CAD 4,065 and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity. Hence the continuation of the Company's operations depends on raising the required financing resources or reaching profitability, which are not guaranteed at this point. The Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

To address the cash flow position, the Company`s Board of Directors and Management of the Company designed a business plan for 12 months of operations from the date of the financial position, and review the Company's forecast of operating results, cash flow projections and potential liquidity risks. Based the results of this review, the Company Board of Director and Management concluded that the Company have sufficient resources for the continuation of its activities and to meet its obligation in the foreseeable future. The Company expects to meet all its obligations and other commitments as they become due. The Company has various financing sources to fund operations and will continue to fund working capital needs through these sources until cash flows generated from operating activities is sufficient.

As at March 31, 2023, the Company had total liabilities in excess of total assets of 983 CAD (As at March 31, 2022 – 1,374 CAD).

Capital management framework

The Company defines capital as the aggregate of common shares and debt. The Company’s capital management framework is designed to maintain a level of capital that funds the operations and business strategies and builds long-term shareholder value. The Company’s objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks.

As of December 31, 2022, the Company had a shareholders’ surplus of 940 CAD (December 31, 2021 – surplus of 1,404 CAD). The Company’s objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise.

Capital structure

The continuity of the Company's capital structure is as follows:

		Shares	Consideration
Balance as at December 31, 2020		670,092	715
Issuance of shares	Note 9(3)	131,997	1,733
Exercise of stock options	Note 9(3)	65,835	499
Warrants			
Share-based payments			
Balance as at December 31, 2021		867,924	2,945
Exercise of stock options	Note 9(4)	10,001	156
Warrants			
Share-based payments			
Balance as at December 31, 2022		877,925	3,101

	2022	2021
	CAD	CAD
Balance, beginning of period	867,924	670,092
Issuance of shares		
Share-based payments	0	0
Exercise of stock options	10,001	65,835
Warrants		
	10,001	65,835
Balance, end of period	877,925	735,927

Contractual obligations

As at December 31, 2022 the Company had no debt guarantees, off-balance sheet arrangements or long-term obligations.

Significant Accounting Policies and Estimates

The Company's significant accounting policies are described in Notes 2 of the Financial Statements. The preparation of the Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures as of the date of the Financial Statements. Actual results may differ from estimates under different assumptions and conditions.

Disclosure / Procedures / Internal Controls over Financial Reporting

Inherent limitations

It should be noted that in a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Given the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by unauthorized acts of individuals, bycollusion of two or more people, or by management override.

Related Party Transactions and Balances

Key management includes the Company's directors, officers and any consultants with the authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly. The Company's related parties consist principally, Mr. Eli Ben Haroosh, CEO of the Company, and Dr. Asher Holzer, President of the Company.

During the years ended December 31, 2022, and 2021 key management personnel compensation consisting exclusively of short-term benefits as follows:

	2022	2021
	CAD	CAD
Total compensation paid to key management	328	220
Share-based payments		100
	328	320

Total compensation paid to key management is recorded in consulting fees and salaries and wages in the consolidated statement of loss and comprehensive loss for the years ended December 31, 2022, and 2021.

Warrants granted in Henpacco agreement:

As described in the article 6 (a) as a part the investment agreement, Hempacco Co. upon the execution date of the investment agreement, Green Globe International, Inc. (hereafter: "GGII") the parent company of Hempacco Co. issued to each of Mr. Asher Holzer, President of the Company and Mr. Eli Ben Haroosh, CEO of the Company the following executed warrants: (i) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable on their issuance date; (ii)) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $5,000,000 or above in total and for 5 years thereafter; and (iii) 25,000,000 5-years warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $10,000,000 or above in total and for 5 years thereafter. At warrant granting date, the exercise price of the warrants was out of the money, in relation to the stock price of GGII, and meeting the exercise conditions by GGII was considered remote.

The patent assignment:

The Company developed, market and sale high-quality "Cannabis Sticks" based on a registered PCT patent no. 11582996 B2, for which the patent application was assigned to the Company for CAD 0.001 on 1 2021 by Mr. Asher Holzer, President of the Company; designed to be inserted into any cigarette/joint of any kind. The cannabis stick is reminiscent of a toothpick, which allows it to be easily inserted into any cigarette. The stick consists of a source extract of cannabis ingredients (the "green plant") - and not oil-derived - it burns as fast as a cigarette and saves the cumbersome need of rolling and allows the user to consume more percent of active ingredients than any other product.

Balances with related parties:
All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

	2022	2021
Other accounts payable	-49	-1

Financial Instruments and Risk Management

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company under the policies approved by the Board of Directors. On an ongoing basis, the finance department actively manages market conditions with a view to minimizing the exposure of the Company to changing market factors, while at the same time limiting the funding costs to the Company.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses information supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information and its own records to rate its customers.

The Company is exposed to credit risk from its operating activity (primarily trade receivables) and from its financing activity, including deposits with banks and other financial institutions. At this point of time the credit risk of the company is not significant as the company's doesn't possess any significant short term financial assets as well as short term financial liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities. Forecasts of operating results and cash flow projections were prepared for the period of 12 months from the date of approval of the financial statements. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

The Company's policy is to seek to ensure adequate funding is available from operations and other sources, including debt and equity capital markets, as required.

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. The Company is exposed to fair value risk with respect to debt which bears interest at fixed rates.

Foreign exchange rates

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.
The Company's exposure to the risk of changes in foreign exchange rates relates to the Company's continuing operation (when revenue or expense is recognized in a different currency from the Company's functional currency) as well as to fluctuations of financial instruments related to cash, accounts and other receivables, debt and accounts payable denominated in foreign currencies.

Fair Value Measurement

Fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the assets or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
Level 3 – inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data

Risks And Uncertainties

The are several risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about as of the date of this MD&A, or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks occur, the Company's business may be harmed, and its financial condition and the results of operation may suffer significantly.

<u>COVID-19</u>

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business.
The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to the COVID-19 pandemic. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of the novel coronavirus known as COVID-19, or a fear of any of the foregoing, could adversely impact the Company. It is unknown whether and how the Company may be affected if such an epidemic persists for an extended period. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

To protect the health and safety of our employees, the majority of our workforce is currently working from home, and we have placed restrictions on non-essential business travel. We have implemented business continuity plans and have increased support and resources to enable employees to work remotely and thus far have been able to operate with minimal disruption.

<u>Risks relating to current operations.</u>

Stickit activities will be subject to operational risks that include competition from other businesses, performance of key suppliers, product performance warranties, regulatory risks, successful integration of new acquisitions and dependence on key personnel, all of which could affect the Issuer's ability to meet its obligations.

The Company is in the development stage with little operating history.

As the Company is in the initial stage of generating revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. In addition, the Company intends to operate in the technology industry, which is rapidly transforming. There is no guarantee that the Company's products or services will be attractive to potential consumers. Therefore, the Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and likelihood of success must be considered considering the early stage of operations.

Going concern

The Company's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Company can obtain such revenues or financing on commercially favorable terms and there is therefore no guarantee that the Company will be able to sustain its ongoing operations in the future.

Competition

StickIt operates and expects to continue to operate in highly dynamic market that is characterized by a growing number of competitors working in the same product category. The smoking utensils industry, including, without limitation, cannbis industry, is highly competitive. Many of Stickit competitors for the acquisition, production and development of smoking utensils, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the company.
To the knowledge of management of StickIt, the main direct competitor of StickIt is an Israely company Trichom Shell. Trichom Shell pours cannabis oil into a mold in the shape of an oil stick. Management of STickIt believes that Extra-C stick's primary advantage is its technology that uses insulated powder and liquid and does fusing - impregnation and not solidification. However, current new competitors may have better capitalization, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results, and financial condition.

Reliance on Various Suppliers

The operations of The company will require significant resources and the business will be heavily dependant on its key suppliers. If The company was, for any reason to be unable to maintain a business relationship with its key suppliers, its business and financial condition may be materially adversely affected.

To date, StickIt has not experienced any difficulties in obtaining adequate supplies from its suppliers. The company will attempt to assure the availability of many of its products by contracting in advance for its annual requirements.

No History of Earnings

The Company, StickIt and Resulting Issuer has no history of earnings, and there is no assurance that any of the current or future products and technological developments of the company will generate earnings, operate profitably or provide a return on investment in the future.

Risk Associated with Foreign Operations in Other Countries

The company's primary revenues are expected to be achieved in Israel, Europe and Canada. . However, the company may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the company's business.

Stickit intends to expand internationally. As a result, it is expected to become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which the company operates or imports or exports products or materials. In addition, Stickit may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. The company's failure to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on its business, financial condition and results of operations. If the company's sales or operations were found to be in violation of such international regulations, it may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of its operations or asset seizures and the denial of regulatory applications.

Risks The company may face in operating in foreign jurisdictions include unforeseen government actions, acts of God, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

Industry risk

The industry of smoking utensils involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of Stickit management.

Development of new products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Effective commercialization

There is a risk that the technology and the Company's products will not perform as expected in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. This means that the Company may never receive revenues or return onits technology development.

Technical risks

Technical risks are inherent in the development and commercialization process, in that an immature technology could present unexpected challenges that exceed the planned time or financial resources to overcome. There canbe no guarantee that the Company will be able to overcome technical risks associated with the development of itstechnology.

Technological Advances

The industry of smoking utilities is susceptible to significant technological advances and the introduction of new products utilizing new technologies. Further, this industry is also subject to changing industry standards and market trends and to competitive pressures. Due to rapid changes, Stickit's success will depend in part on its ability to develop and market products and services that respond in a timely manner to the technological advances and health industry standards.

Technology and Intellectual Property

Stickit will rely on the protection of its intellectual property rights and the rights of third parties from which it has licensed intellectual property rights for its success. Notwithstanding precautions that Stickit may take to protect its rights, third parties may copy or obtain and use the company's proprietary and licensed technologies, ideas, know-how and other proprietary information without authorization, or may independently develop technologies or other intellectual property similar or superior to the company's proprietary and licensed technologies and other intellectual property. Stickit will have a policy of entering into confidentiality and non-competition agreements with its employees, strategic partners and clients. However, these agreements may not provide meaningful protection of Stickit's proprietary and licensed technologies or other intellectual property in the event of unauthorized use or disclosure. Policing unauthorized use of such technologies and intellectual property is extremely difficult and expensive. Furthermore, the laws of jurisdictions other than Canada and Israel may not provide meaningful protection of Stickit's and such third parties' intellectual property rights.

Key personnel

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

Government Regulations

Successful execution of Stickit's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintaining and renewing its licences. Although Stickit will position itself as a technology company certain aspect of its operation will rely on cannabis industry. Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require the company to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the company's business. StickIt cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on their business. Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions, including in countries that the Stickit Issuer plans to distribute its products.

In addition, the operations of Stickit may require licenses and permits from various governmental authorities, including in foreign jurisdictions. There can be no assurance that the company will be able to obtain all necessary licenses and permits that may be required to carry out the development of its products.
Foreign Currency Fluctuations

The company will consolidate the accounts of its foreign subsidiaries that will generate a significant portion of its revenue with customers based in countries outside Canada, will contract with suppliers and customers in currencies other than the Canadian dollar, and will carry monetary balances in foreign currencies. Any material fluctuation in the Canadian dollar relative to other currencies, particularly NIS, could have a negative impact on the company's revenue, receivables, cost of sales, working capital position and earnings.

Variable Demand

StickIt believes that demand for smoking utensils, including Extra-C Sticks, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond its control. Any significant or prolonged decrease in consumer spending on smoking products and activities could adversely affect the demand for StickIt's product offerings, reducing its cash flows and revenues. If StickIt experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Product Liability

Resulting Issuer's products will be produced for sale both directly and indirectly to end consumers, and therefore it might face an inherent risk of exposure if product liability claims, regulatory action and litigation of Resulting Issuer's products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human use of the company's products alone or in combination with other medications or substances could occur. Teh Resulting Issuer may be subject to various product liability claims, including, among others, that our products caused injury or illness or include inadequate instructions for use or warnings concerning possible side effects or interactions with other substances. A product liability claims or regulatory action against the company could result in increased costs to produce its products and could have a material adverse effect on its business and operational results.

Changing Consumer Preferences

As a result of changing consumer preferences, many smoking, cannabis or other innovative products attain financial success for a limited period of time. Even if the company's products find some retail success, there can be no assurance that any of its products will continue to see extended financial success. The company's success will depend upon its ability to develop new and improved product lines.

Unfavourable Publicity

Smoking industry in general and cannbis industry in particular, is extremely dependent upon consumer perception regarding the safety, efficacy and quality of the products and perceptions of regulatory compliance. Consumer perception of smoking products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the smoking utensils market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the company's products and its business, results of operations, financial condition and cash flows.

Additional Labeling or Warning Requirements on our Products

Various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of the company's products relating to the content or perceived adverse health consequences of the company's products. Federal laws may pre-empt some or all of those attempts by state/provincial or localities to impose additional labeling or warning requirements. If these types of requirements become applicable to the company's products under current or future environmental or health laws or regulations, they may inhibit sales of the company's products. Moreover, if the company fails to meet compliance deadlines for any such new requirements, its products may be deemed misbranded or mislabeled and could be subject to enforcement action, or the company could be exposed to private lawsuits alleging misleading labels or product promotion.
Financial Risks

Management believes that the financial resources of the company will be at a sufficient level to cover all of its operating and financial costs in connection with the implementation of the short-term business plans of the company. However, there can be no assurance that growth will be achieved at such levels or that additional financial resources may not be required due to unforeseen circumstances or a change in the business plans of the company.

Additional Financing

The company may acquire additional financing in order to make further investments or take advantage of future opportunities. The ability of the company to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the company. They can be no assurance that the company will be successful in its efforts to arrange additional financing on terms satisfactory to the company. If additional financing is raised by the issuance of shares or other forms of convertible securities from the treasury, control over the company may change and the Shareholders may suffer additional dilution. If adequate funds will not be available, or will not be available on the accepted terms, The company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Conflict of Interest

Certain directors of the company are or may become associated with other companies which may give rise to conflicts of interest. In accordance with the BCBCA, a director or officer who is a party to a material contract or proposed material contract or is a director or officer of or has a material interest in any entity who is a party to a material contract or a proposed material contract with the company is required, subject to certain exemptions, to disclose that interest and generally to abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interest of the company. All of the outside directors of the company have either other full-time employment or other business or time restrictions placed on them and accordingly, the company will not constitute the only business interest of such directors.

Payment of Dividends

The future payment of dividends on the company Shares will be dependent upon the financial requirements of the company to finance future growth, the financial condition of the company and other factors which the Board of Directors of the company may consider appropriate in the circumstances. The payment of dividends in the future is uncertain.

Financial reporting and internal controls

Upon the completion of the listing, Company will become subject to reporting and other obligations under applicable Canadian securities laws and exchange rules. These reporting and other obligations will place significant demands on Company's management, administrative, operational, and accounting resources.

To meet such requirements, Company is working with its legal, accounting, and financial advisors to identify areas in which changes should be made to Company's financial management control systems. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. Company has made, and will continue to make, changes in these and other areas, including Company's internal controls over financial reporting. If Company is unable to accomplish any such necessary objectives in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause Company to fail to meet its reporting obligations or result in material misstatements in its financial statements. If Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the reported financial information, which could lower share prices. There can be no assurance that internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within the Company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Dilution

Current shareholders will experience significant dilution to their shareholdings as a result of the Acquisition and the Listing. Moreover, should the company require additional funds, it is likely that to obtain the necessary funds The company will have to sell additional securities, including but not limited to, common shares or some form of convertible security, the effect of which would result in a substantial further dilution of the present equity interests of the shareholders. Further dilution may occur if the company chooses to conclude further acquisitions of businesses in the future and to pay for such acquisitions by the issuance of common shares.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Dependence on suppliers and skilled labor

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labor, equipment, parts and components.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other companies in the same or related industries which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business, or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

Research and development

We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain and develop our solutions and maintain and enhance our competitive position. We recognize the costs associated with these research and development investments earlier than the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we spend significant resources on research and development and are unable to generate an adequate return on our investment, our business, financial condition and results of operations may be materially and adversely affected.

Enforcement of Judgments Against Foreign Persons

A number of the proposed directors and officers of the company reside outside of Canada. Some or all the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Global economic risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting our 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. 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 trading price of the Company Shares on the stock exchange.

Economic environment

The Company's operations could be affected by the economic context 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 prospects of such areas might be different from those predicted by the Company's management.

Risks associated with acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may exposeit to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Political environment

The Company's core business operations are in Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. As a result, the Company is vulnerable to the political, economic, legal, regulatory, and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighbouring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect the Company's business, results of operations and financial condition.

To date, such conflicts have not had a material effect on business, results of operations or financial condition. In addition, the Company may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings.

Furthermore, there are a number of countries, primarily in the Middle East, including Malaysia and Indonesia that restrict business with Israel or Israeli companies. There may also be certain countries, businesses or other global movements that may exert pressure on the Company's partners, customers or others not to do business with Israel or Israeli companies. Restrictive laws policies or movements directed towards Israel or Israeli businesses could have a material adverse effect on the Company's business, results of operations and financial condition.

Emerging market

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

The Company's core business operations are located in Israel, which has a history of military instability. While there is no current instability, this is subject to change in the future and could adversely affect the Company's business, financial condition, and results of operations. Fluctuations in the Israeli economy and actions adopted by the government of Israel may have a significant impact on companies operating in Israel, including the Company. Specifically, the Company may be affected by inflation, foreign currency fluctuations, regulatory policies, business, and tax regulations and in general, by the political, social and economic scenarios in Israel and in other countries that may affect Israel.

Income taxes

The Israeli corporate tax rate was 23% for the years ended December 31, 2022 and 2021. This tax rate could be changed by government decisions and tax regulations, which could have a material effect on the Company's profitin the future.

Limitation of statute on the Company's tax reports for the years ended December 31, 2022, and 2021. The general limitation of statute on tax reports in Israel is four years, and therefore the Company's tax reports for the years ended December 31, 2021, and 2020 could still be assessed by the Israeli Tax Authority.

Contingencies And Commitments

The Company is not contingently liable with respect to litigation, claims, and environmental matters, including those that could result in mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to the statements of loss and comprehensive loss as and when such determination is made.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Company's audit committee and Board of Directors. The accompanying financial statements are prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of four non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Subsequent Event

<u>Transaction with Aquazoom and proposed listing on CSE</u>

During 2023, the company intends to complete the merger transaction ("the Merger") with Aquazoom Hydropower Solutions Inc ("Aquazoom"). The merger is expected to be affected by way of a three-core amalgamation. Accordance to the merger, Aquazoom will acquire all (100%) of the company ordinary shares (after conversion of all the outstanding warrants and options of the company to the company ordinary shares) and issue to the selling shareholders of Stickit an ordinary shares of Aquazoom.

Also, Aquazoom intends to submit prospectus to the British Columbia Securities Commission ("BCSC") the "Commissions") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia. Upon the final receipt of this Prospectus by the Commissions, the Company will become a reporting issuer in British Columbia.

Concurrently with the filing of the Prospectus, Aquazoom intends to apply to list its issued and outstanding Common Shares on the Canadian Securities Exchange ("CSE"). The listing will be subject to the fulfilling all the listing requirements of the CSE.

On February 21, 2023 StickIt was granted a US patent under registration US11,582,996 B2 in connection with the plant extracts and therapeutic compounds in smoking utensils.

<u>Proprietary Protection</u>

On May 9, 2023 StickIt was notified by the examining division of European Patent Office, that is was granted a European patent in connection with the plant extracts and therapeutic compounds in smoking utensils in 38 European countries, including Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Former Yugoslav Republic of Macedonia, Turkey and United Kingdom.

Exercise of options

In January 2023, subsequent to the date of the statement of financial position, the Company granted 100,500 stock options to Mr. Eli Ben Haroosh, CEO and the founder of the Company, that are immediately exercisable to 100,500 Ordinary shares of the Company.

The exercise price under the option is 0.01 NIS represent the nominal (par) value of an Ordinary Share. In January 2023 100,500 stock options were exercised to 100,500 Ordinary Shares of the Company.

DISCLOSURE OF OUTSTANDING SECURITY DATA

The following describes material terms of the anticipated share capital of the Resulting Issuer. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Articles.

Authorized Capital

The authorized share capital of the Resulting Issuer consists of an unlimited number of common shares without nominal or par value.

Common Shares

Upon Listing, 126,244,733 Common Shares will be issued and outstanding. The holders of the Common Shares are entitled to receive notice of and to vote at every meeting of the shareholders of the Company and have one vote thereat for each common share so held. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the Board of Directors, in its discretion. The holders of the common shares rank equally as to entitlement to dividends and participation in a distributions of the assets of the Company on liquidation, dissolution or winding-up of the Company.

Warrants

A total of 23,232 of Finder Warrants will be issued and outstanding pursuant to the concurrent Financing. Those Finder Warrant shall be exercisable into one Company Share at price of $0.55 per Finder Warrant and will expire 24 months following the Listing date.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Resulting Issuer's anticipated consolidated capitalization on a pro forma as adjusted basis effective upon the Closing of the Acquisition. This table is presented and should be read in conjunction with the Financial Statements included elsewhere in this Prospectus and with the information set forth under "*Summary of Financial Information*", "*Management's Discussion and Analysis*", and "*Disclosure Of Outstanding Security Data*".

The following table sets out the anticipated fully-diluted share capital of the Resulting Issuer upon Listing:

Designation of Security	Authorized	Number Outstanding upon Listing
Common Shares	Unlimited	14,403,698
Common Shares Issuable upon Acquisition	N/A	110,816,407[(1)]
Common Shares Issuable to the holders of Subscription Receipts	N/A	1,024,628 [(2)]

Common Shares Reserved for Issuance upon exercise of Finder's Warrants	N/A	23,232
Common Shares Reserved for Issuance upon exercise of StickIt Options	N/A	5,342,404

Notes:

(1) Upon completion of the Acquisition, the Company issued a total of 111.1357 Company Shares for each of Stick Share issued and outstanding immediately prior to completion of the Transaction; and

(2) Concurrently with completion of the Acquisition, the Company completed a financing of $441,000.00. The financing consists of 1,024,628 subscription receipts at a price of $0.4304 each, converted on a 1:1 basis into the Company's shares.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Board of Directors adopted a 20% fixed incentive plan (the "**Stock Option Plan**") whereby a total of 5,342,404 Common Shares were reserved for issuance (the "**Options**") in exchange for currently outstanding StickIt Options with the remaining Common Shares to be reserved for issuance as RSUs be granted to the Resulting Issuer's proposed directors, officers, employees, and consultants. For further details, see "*Executive Compensation"*.

The Stock Option Plan will be administered by the Board of Directors or a committee of directors appointed by the Board of Directors. Stock options or RSUs may be granted to any director, officer, employee, management company employee or consultant of the Company, taking into consideration his or her contribution to the success of the Company and any other factor which the Board of Directors may deem proper and relevant. The exercise price of any options must be set in compliance with CSE policies and the term of any option may not exceed ten years. Any stock options or RSUs granted under the Stock Option Plan are non-assignable and non-transferable (except in the case of death of an optionee, whereby the optionee's lawful personal representatives, heirs, administrators or executors may exercise the option as permitted under the Stock Option Plan).

The Stock Option Plan provides for the following restrictions on issuance: (a) no more than 5% of the issued common shares of the Company, calculated at the date of the grant of stock options or RSUs, may be granted to any one individual in any 12 month period unless the Company has obtained disinterested shareholder approval to same; (b) no more than 2% of the issued common shares of the Company, calculated at the date of the grant of stock options or RSUs, may be granted to any one consultant in any 12 month period; (c) no more than an aggregate of 1% of the issued common shares of the Company, calculated at the date of the grant of stock options or RSUs, may be granted to all employees conducting investor relations activities within any 12 month period; (d) any options granted to consultants performing investor relations activities must be vested over a period of not less than 12 months with no more than 25% of the stock options vesting or RSUs vesting in any three month period; and (e) if required by applicable laws, disinterested shareholder approval is required to the grant to related persons, within a 12-month period, of a number of stock options or RSUs which, when added to the number of outstanding stock options granted or RSUs granted to related persons within the previous 12 months, exceed 10% of the issued Common Shares.

If an optionee ceases to be employed by or provide services to the Company, his or her stock options and/or RSUs (to the extent that they have vested at the time of termination) may be exercisable until the earlier of 30 days after the date the optionee ceases to be employed by or provide services to the Company or until the stock options expiration or RSUs's expiration date, whichever date is earlier. If an optionee dies, the legal representatives of the optionee may exercise any outstanding options or RSUs (to the extent that they have vested at the time of death) until the earlier of one year after the date of death and the options' expiration date.

The Company will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the Stock Option Plan.

Approved awards of options or RSUs and any shares issued to Israeli employee or office holder of the Company or the Resulting Issuer in connection with the Option Plan will be held by an approved Israeli Tax Authority trustee for the benefit of the option or RSU holder, in accordance with the provisions of Section 102 in the "capital gain tax route" of the Israeli Income Tax Ordinance [New Version], 1961.

Stock Options and RSUs

Although the Company plans to issue RSUs to its *bona fida* employees, consultants, directors and officers, no firm determinations were made as of the date of this Prospectus.

PRIOR SALES

No securities are being distributed under this Prospectus.

The following table summarizes the details of the issuance of securities of the Company during the twelve-month period prior to the date of this Prospectus:

Date	Description of Securities	Number of Securities	Method of Sales	Issue Price of Exercise Price, as applicable
September 27, 2023	Subscription Receipts	1,024,628	Private Placement	$0.4304
October 23, 2023	Common Shares	110,816,407	Business Combination Agreement	$0.4304
October 23, 2023	Common Shares	1,024,628	Conversion of Subscription Receipts	-
October 23, 2023	Warrants	23,232	Finder's Warrants in connection with Private Placement	N/A (finder's exercise price $0.55)
October 23, 2023	Employee Options	5,342,404	Employee Options pursuant to Business Combination Agreement	N/A (original StickIt Price $0.01)

StickIt did not sell any securities (other than pursuant to exercise of incentive stock options and share purchase warrants) in the twelve (12) months prior to the date of this Prospectus.

ESCROWED SECURITIES

Escrowed Securities

The Company and StickIt acknowledge and agree that Common Shares held by the Resulting Issuer's Related Persons will be subject to escrow pursuant to Form 46-201 Escrow Agreement. In the event that the Common Shares become listed on the CSE, the Resulting Issuer anticipates that it will be classified as an "emerging issuer", as defined under NP 46-201 upon such listing. Each of the persons named below (collectively, the "**Escrow Holders**") would fall within the definition of "principal" of an emerging issuer under NP 46-201. In accordance with applicable securities rules, the Escrow Holders will execute an escrow agreement with the Resulting Issuer and Endeavor Trust Corporation (the "**Escrow Agent**") substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the "**CSE Escrow Agreement**") in respect of an aggregate of 64,503,160 Common Shares prior to the filing of a final prospectus and the Listing. 10% of such securities held in escrow will be released from escrow on the date the Common Shares are listed on the CSE, and 15% every six months thereafter, subject to acceleration provisions provided for in NP 46-201. Common Shares held by the following persons will be subject to escrow pursuant to the CSE Escrow Agreement:

Name of the Securityholder	Designation of Securities	Number of Securities to be held in escrow	% of class at the date of Prospectus(1)
Eli Ben-Haroosh(2)	Common Shares	11,169,138	8.85
Asher Holzer(2)	Common Shares	53,334,022	42.25

Notes:

(1) Based on 126,244,733 Common Shares issued and outstanding upon the Closing of the Acquisition on a non-diluted basis, assuming these persons do not purchase any securities pursuant to the Financing.
(2) Principal (director) of the Resulting Issuer.

The CSE Escrow Agreement provides that the CSE Escrow Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with other than in accordance with the terms of the CSE Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CSE Escrow Securities, which shares will remain in escrow subject to the CSE Escrow Agreement. In the event of the death of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by the escrow shareholder will be released from escrow.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Company's and StickIt's directors and executive officers, the following persons beneficially will own or exercise, directly or indirectly, control or have discretion over 10% or more Common Shares upon Listing:

Name of the Securityholder	Type of Ownership	Number of StickIt Shares Owned	Number of Common Shares owned upon completion of the Acquisition	% of Common Shares owned upon completion of the Acquisition (1)
Asher Holzer(2)	Direct	479,900	53,334,022	42.25

Notes:

(1) Based on 126,244,733 Common Shares issued and outstanding upon the Closing of the Acquisition on a non-diluted basis, assuming these persons do not purchase any securities pursuant to the Financing.
(2) Mr. Asher Holzer is expected to be the Executive Chairman and a director of the Resulting Issuer. All of the common shares beneficially owned by Mr. Asher Holzer will be subject to the Escrow Agreement. See "*Escrowed Securities*" for further details.

DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors will be reconstituted in conjunction with the Closing of the Acquisition whereas the current directors and officers of the Company will resign, and upon Listing it is anticipated that the Board will consist of five (5) directors: Eli Ben-Haroosh, Asher Holzer (executive Chairman of the Board), Sophya Galper-Komet, Steven Glaser and Orit Berger.

In addition, the constitution of the Resulting Issuer's senior management is anticipated to include: Eli Ben-Haroosh as Chief Executive Officer and Sophya Galper-Komet as Chief Financial Officer and Corporate Secretary.

The names, province and country of residence and position to be held with the Resulting Issuer of each director and executive officer of the Resulting Issuer, the dates of their appointment or election, their principal occupations for the past five years and their holdings of common shares (including those over which they exercise control) are set forth in the table below.

Name, Province and Country of Residence & Position(s) Held	Date Director or Officer of Company Since	Principal Occupation in the Previous 5 Years	Number & % of Securities Held After Completion of the Offering (1)
Eli Ben-Haroosh Tel-Aviv, Israel *President, CEO & Director*	Date of Listing	VP and CEO of Premier – Dead Sea, the president of Mariana Inc. Zero Candida Ltd - Co-Founder, CEO, Director	11,169,138 (2) 8.85%
Asher Holzer(3) Tel-Aviv, Israel *Executive Chairman of the Board, Director*	Date of Listing	HeartChain Corp. Co-Founder, Chairman, Director Zero Candida Ltd Co-Founder, Chairman, Director PSYRX Ltd. Co-Founder, Director	53,334,022 (2) 42.25%
Sophya Galper-Komet (4) Toronto, ON *CFO and Corporate Secretary*	Date of Listing	Founder and Director of Komet Sense Inc., Founder of Wisdom Star - Executive corporate consultancy.	0 0%
Orit Berger (3) (4) Vancouver, BC *Director*	Date of Listing	Controller at JDS (Jewish Family Services) Founder and Business Development manager of Anigo Holdings Ltd.	0 0%
Steven Glaser (3) (4) Toronto, ON *Director*	Date of Listing	Chief Operating Officer and Chief Financial Officer and Director at Pool Safe Inc.	0 0%

Notes:
(1) Assuming an issued capital of 126,244,733 common shares on completion of the Acquisition and Listing on a non-diluted basis, assuming no StickIt Warrants are exercised and further assuming these persons do not purchase any securities pursuant to the Financing.
(2) These common shares are subject to escrow restrictions. See "*Escrowed Securities*".
(3) Member of the Audit Committee. Ms. Orit Berger is expected to serve as a chair of the Resulting Issuer's audit committee
(4) Independent Director

The directors and executive officers of the Company as a group beneficially own, directly or indirectly 64,503,160 common shares in the capital of the Company, representing approximately 51.09% of the issued and outstanding Common Shares.

Each director of the Company is expected to hold office until the next annual meeting of the shareholders of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles or he becomes disqualified to act as a director. The term of office of the Company's officers is at the discretion of the directors.

Biographies of Directors and Executive Officers

The following are brief profiles of the Company's executive officers and directors, including a description of each individual's principal occupation within the past five years:

Eli Ben-Haroosh (53) - President, CEO and Director

Mr. Ben-Haroosh is a seasoned executive and prior to joining STickIt he served as President of Vonetize PLC, a cannabis cultivation company in Colorado, USA, listed on the Tel-Aviv Stock Exchange. In the previous 7 years served as VP and CEO of Premier – Dead Sea and was responsible for sales in 74 countries and in close to 1,000 points of sale generating tens of millions of dollars a year. MR. Ben-Haroosh currently serves as the director of several companies and as the president of Mariana Inc. which works in the field of cannabis research and development and Zero Candida. He holds a degree in business management from Ben Gurion University of the Negev.

It is expected that Eli will become a director of the Resulting Issuer and he anticipates devoting approximately 70% of his time to Resulting Issuer's business.

Asher Holzer (73) – Director and Chairman of the Board

Mr. Holzer has over 30 years' experience in management of both private and public corporations in the medical device and the biotech industry. His expertise covers a wide range of activities including product development, clinical studies, regulatory affairs and marketing. Asher founded several successful bio-tech companies and served as their chairman and president. These included InspireMD (NYSE MKT: NSPR), a medical device company which improves treatment of patients undergoing heart stenting and UroGen Pharma (NASDAQ: URGN) focusing on developing therapies for urological pathologies. Asher was part of the management team of Biosense which was acquired by Johnson & Johnson in 1997 and became the worldwide market leader in developing and marketing products for the diagnosis and treatment of cardiac arrhythmias. He holds a Ph.D. in Applied Physics and a M.Sc. in Material Science from Hebrew University in Jerusalem, Israel. He holds several granted and pending patents, mainly in the fields of interventional cardiology and urology

It is expected that Mr. Holzer will become a director and Executive Chairman of the Resulting Issuer and will devote approximately 60% of his time to the business of the Resulting Issuer.

Sophya Galper-Komet (47) – CFO, Corporate Secretary and Director

Ms. Galper-Komet is a founder of Wisdom Star, a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors in a wide variety of industries. Prior to that (2019 – 2022) Ms. Galper-Komet had served as Chief Operating Officer of a private real estate investment company. Prior to this role, she served as the principal and owner of Business Scope International, a private consultancy firm focused on corporate strategy, funding solutions, and corporate governance services for an array of corporate clients.

Ms. Galper-Komet is a seasoned financial expert and a strategy consultant with broad experience in the corporate public and start-up arenas. With over 20 years of experience working on different angles of capital markets and private equity, her expertise in developing diverse funding solutions to corporate issuers includes initial public offerings, bond offerings, M&A and private equity transactions. Ms. Galper-Komet has served as a director of numerous public companies and financial institutions including a chair of several board committees. Ms. Galper-Komet holds an MBA in Finance and Accounting and a BA in Economics and Psychology from Tel Aviv University.

Ms. Galper-Komet will devote approximately 30% of her time to he business of the Resulting Issuer.

Orit Berger (50) –Director

Ms. Orit Berger brings to the Resulting Issuer over 20 years of experience in financial management, business operations, and strategic planning to enhance financial and business growth of the organisation. She is one of the founders and a finance manager of Anigo Technologies Inc. – a technology start-up company that was sold in 2021 to a TSXV listing company. Ms. Berger served as a Chief Finanical Officer of Eshkol Glili Ltd. and Northern Goals of Rashi Foundation in Israel. Ms. Berger obtained her BA in economy and management from Tel-Hai College (Israel) and Masters in Business Administration from The Open University (Israel).

Ms. Berger is expected to devote less than 10% of his time to the business of the Resulting Issuer.

Steven K. Glaser (58) –Director

Mr. Glaser is a financial service executive with a diverse background in corporate finance, communications and governance for private and public companies. He is currently Chief Operating Officer, Chief Financial Officer and Director at Pool Safe Inc., a company that designs, develops and distributes globally a product known as the "LounGenie". In addition to his role at Pool Safe, Mr. Glaser also sits on the Board of Canadian listed public companies. From 2008 through 2017, Mr. Glaser worked in the corporate finance and investment banking arena focused on assisting late stage private and early-stage public companies with strategic planning, corporate governance and capital raising. Prior to that, Mr. Glaser spent seven years as Vice President Corporate Affairs of Azure Dynamics Corporation. He was responsible for the company's corporate governance, its domestic and international stock exchange listings, as well as the build-out of the company's Investor Relations division. Mr. Glaser holds a Bachelor of Administrative Studies degree as well as an M.B.A. in finance.

Mr. Glaser is expected to devote less than 10% of his time to the business of the Resulting Issuer..

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders and Bankruptcies

Other than as disclosed below, none of the Company's, StickIt's, or the proposed Resulting Issuer's directors or executive officers have, within the ten years prior to the date of this Prospectus, become 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, been a director or executive officer of any 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.

Other than as disclosed below, none of the Company's, StickIt's, or the proposed Resulting Issuer's directors or executive officers or shareholders holding sufficient securities of the Company, StickIt, or the Resulting Issuer to affect materially the control of the Company, StickIt, or the Resulting Issuer has been:

- been subject to 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
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of the Company's and StickIt's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer, its promoters, directors, officers or other members of management of the Resulting Issuer as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity sharing and requiring disclosures by directors of conflicts of interest and the Resulting Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers are required under the

Business Corporations Act (British Columbia) to disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

EXECUTIVE COMPENSATION

Proposed Compensation

Following completion of the Acquisition and Listing, the Resulting Issuer or its wholly owned Israeli subsidiary, will enter into an employment agreement with Mr. Eli Ben-Haroosh (the **"Management Agreement"**).

The following table sets forth the anticipated compensation for the twelve months period following completion of the Acquisition and Listing, for each of the Resulting Issuer's proposed Named Executive Officers (collectively, the "**named executive officers**" or "**NEOs**"), being Eli Ben-Haroosh, the President and CEO of the Resulting Issuer and Uri Ben-Or, the CFO of the Resulting Issuer. "Named executive officers" or "NEOs" means each of the following individuals: (i) each CEO; (ii) each CFO; (iii) the most highly compensated executive officer other than CEO and CFO at the end of the most recently completed financial year whose total compensation was more than C$150,000; (iv) each individual who would be a named executive officer under (iii) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Name and Principal Position	Salary ($)	Share Based Awards ($)	Option-based Awards ($)	Non-equity incentive plan compensation		Pension Value ($)	Other Compensation ($)(2)	Total Compensation ($)
				Annual Incentive plans	Long-term incentive plans			
Eli Ben-Haroosh CEO	192,000.00	Nil	Nil	Nil	Nil	28,474	24,000.00	244,474.00
Sophya Galper-Komet CFO	30,000.00	Nil	Nil	Nil	Nil	Nil	Nil	30,000.00
Asher Holzer(3) Executive Chairman	120,000.00	Nil	Nil	Nil	Nil	Nil	Nil	120,000.00

<u>Notes</u>**:**

(1) The Company's financial year end is February 28. It is expected the Resulting Issuer's financial year end will be December 31.
(2) Or its equivalent in NIS, as car lease/transportation expense.
(3) Pursuant to the terms of Mr. Holzer's consultancy agreement with StickIt, starting the date the Resulting Issuer Shares are listed on the Exchange.

Compensation Discussion and Analysis

The compensation programs of the Company will be designed to support the Company's business and financial objectives. The compensation programs will be set out and reviewed by the Board of Directors. They will be intended to achieve a number of objectives, including:

(a) to support Company's ability to attract, develop and retain high quality directors, officers, employees and consultants;

(b) align the interests of executives and securityholders;

(c) to reward performance;

(d) to support business growth and superior financial results; and

(e) to promote internal equity and a disciplined qualitative and quantitative assessment of performance.

These objectives will provide the framework for the various components of compensation and benefits, and take into account the specific nature of Company s business. Each element of the compensation will be designed to achieve a specific purpose. Together they will form an aggregate package that will be intended to be appropriately competitive and to provide the necessary flexibility and incentives to achieve the Company's goals and objectives. In determining the precise levels of each element of compensation as well as the total compensation and benefit package awarded, including the Option-Based Awards, the Board of Directors will:

(a) exercise its business judgment and discretion in setting the level of compensation within pre-established ranges;

(b) review actual historical delivery of compensation versus design to ensure that actual compensation will be consistent with the intent of the programs;

(c) review total compensation design to assure that the various ranges remain appropriately competitive and continue to meet the objectives described above; and

The terms of the management agreements with the Named Executive Officers have not been agreed to as of the date of this Prospectus and therefore many of the executive compensation features and performance goals are not known yet.

The Board of the Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Stock Option Plan. Options may be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors.

The grant of the stock options under the Plan will be solely in the discretion of the Board of Directors.

Employment Agreements

Upon completion of the Listing, StickIt, the Company's wholly owned subsidiary, is expected to enter into an employment agreement with Mr. Eli Ben-Haroosh to serve as the Resulting Issuer's chief executive officer. Pursuant to the terms of the employment agreement with Mr. Ben-Haroosh, he will be entitled to a salary equal to $16,000 per month payable in NIS. The Resulting Issuer will also make monthly contributions to a pension plan for Mr. Ben-Haroosh equal to an aggregate of 14.83% of his monthly salary for severance pay and pension, in accordance with Israeli law. Mr. Ben-Haroosh will be entitled to annual bonuses based on the achievement of revenue targets, equity financing, or corporate M&A transaction. Mr. Ben-Haroosh will be also eligible to receive incentive grants under the Resulting Issuer Option Plan. The CEO Agreement has a term of five years starting September 13, 2022 and can be terminated prior to that by either party on a 9 months' notice. Additionally, the Resulting Issuer will be able to terminate the agreement for cause without paying severance. Mr. Ben-Haroosh's employment agreement includes a confidentiality, non-competition, non-solicitation, and assignment of inventions undertaking from Mr. Ben-Haroohs to the Resulting Issuer.

StickIt has entered into a consultancy agreement dated October 1,2019 with Mr. Asher Holzer to serve as a Chairman and President of StickIt. Pursuant to the terms of this agreement, Upon completion of the Acquisition and Listing, Mr. Holzer's fee is expected to be $10,000 per month. The agreement with Mr. Holzer is set to terminate on December 31, 2025 and can be terminated by either party on 180 days' notice. Mr. Holzer's agreement includes a confidentiality, non-competition, non-solicitation, and assignment of inventions undertaking from Mr. Holzer to StickIt.

Incentive Plan Awards and Option Based Awards

Upon completion of the Acquisition, subject to the CSE and Shareholder approval, the Resulting Issuer will adopt the Plan, under which the maximum number of Common Shares reserved for issuance under the stock option plan will be 20% of the Common Shares issued and outstanding at the Closing Date, provided that, such maximum shall not be greater than 23,858,571.

Although the Company plans to issue RSUs to its *bona fida* employees, consultants, directors and officers, no firm determinations were made as of the date of this Prospectus.

Pension Plan Benefits

It is not anticipated that the Resulting Issuer will have any pension plan for its directors, officers or employees other than as disclosed above and in accordance with Israeli laws.

Termination and Change of Control Benefits

The terms of the Management Agreements have not been agreed to as of the date hereof. However, the Resulting Issuer does not anticipate paying any additional compensation to the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the officers or from a change of the Named Executive Officer's responsibilities following the Acquisition.

Compensation of Directors

It is not anticipated that directors other than the NEOs who will be otherwise employed by or engaged to provide services to the Resulting Issuer will be paid any cash compensation for their services as directors. Notwithstanding the foregoing, it is anticipated that all directors will be primarily compensated for their services as directors by the granting of stock options and RSUs in such amounts and upon such terms as may be approved by the Board of Directors from time to time.

The following table sets forth the anticipated compensation for the twelve month period for each of the Resulting Issuer’s proposed directors that are not Named Executive Officers:

Name	Fees	Share-based Awards	Option-based Awards	Non-equity incentive plan compensation	Pension Value	All Other Compensation	Total
Orit Berger	Nil	Unknown at this time	Nil	Nil	Nil	Nil	Unknown at this time
Steven K. Glaser	Nil	Unknown at this time	Nil	Nil	Nil	Nil	Unknown at this time

External Management Companies

No management functions of the Company are expected to be performed by a person other than the senior officers or directors of the Resulting Issuer.

Directors’ and Officers’ Liability Insurance

The Company currently does not maintain directors’ and officers’ liability insurance coverage, however plans to purchase applicable insurance coverage concurrently with Acquisition and immediately prior to its Listing.

Oversight and Description of Director and NEO Compensation

The formal policies or practices of the Company to determine the compensation for the proposed directors and executive officers are not known. It is anticipated that following the Listing, the Company will establish such formal policies or practices.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's or StickIt's directors, executive officers, employees, former directors, former executive officers or former employees or any of its subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or StickIt or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided us or any of our subsidiaries.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

The Company's Audit Committee is governed by its Audit Committee Charter, a copy of which is attached hereto as Schedule "A".

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee will recommend the auditors to be nominated and review the compensation of the auditors. The Audit Committee is directly responsible for overseeing the work of the auditors, must pre-approve non-audit services, be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information to be extracted or derived from the Company's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

Composition of the Audit Committee

The following directors are the members of the Audit Committee:

Asher Holzer	Not Independent(1) (3)	Financially literate (2)
Orit Berger	Independent(3)	Financially literate (2)
Steven K. Glaser	Independent(3)	Financially literate (2)

Notes:
(1) NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.
(2) As defined by NI 52-110.
(3) Mr. Holzer is not considered independent under NI 52-110 as he will serve as an Executive Chairman of the Board of the Resulting Issuer

Relevant Education and Experience

The education background or experience of the following Audit Committee members will enable each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles used by the Resulting Issuer to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

Mr. Holzer has been a director and officer of and/or consultant to numerous public companies in different industries and as a director has been responsible for approving financial statements. Mr. Holzer will provide the Audit Committee with knowledge and expertise on the reporting and understanding of financial regulatory system. Mr. Holzer holds a Ph.D. in Applied Physics and a M.Sc. in Material Science from Hebrew University in Jerusalem, Israel. See "*Directors and Executive Officers*" for further details pertaining to Mr. Holzer's relevant education and experience.

Mr. Glaser is a financial service executive with a diverse background in corporate finance, communications and governance for private and public companies. From 2008 through 2017, Mr. Glaser worked in the corporate finance and investment banking arena focused on assisting late stage private and early-stage public companies with strategic planning and capital raising. Mr. Glaser holds a Bachelor of Administrative Studies degree as well as an M.B.A. in finance. See "*Directors andExecutive Officers*" for further details pertaining to Mr. Glaser's relevant education and experience.

Ms. Berger has been a controller and chief financial officer of various private companies and has been responsible for preparation of the financial statements. Ms. Berger holds an MBA in Business Administration and a BA in Economy and Management. See "*Directors and Executive Officers"* for further details pertaining to Ms. Berger's relevant education and experience.

Reliance on Certain Exemptions

Since the Resulting Issuer will be a "Venture Issuer" pursuant to applicable Canadian securities legislation, it is relying upon the exemption provided for at section 6.1 of NI 52-110 in respect of the composition of the Audit Committee.

At no time since the commencement of the Resulting Issuer's most recently completed financial year has the Resulting Issuer relied on the exemptions provided for in subsections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted pursuant to Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Resulting Issuer's external auditors. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to the Resulting Issuer by the external auditors, subject to any exceptions provided in NI 52-110.

Details of the composition and function of the remaining standing committees to be formed following the Listing will be discussed at the first meeting of the directors following the Listing.

External Auditors Service Fees

For the financial years ended December 31, 2021 and 2022, StickIt was billed the following fees by StickIt's external auditor, Crowe (Israel), and for the period from incorporation to May 31, 2023 ("**Company 2023**"), the Company billed the following fees by the Company's external auditor, Bassi & Karimjee LLP:

Financial Year Ending	**Audit Fees(1)**	**Audit Related Fees(2)**	**Tax Fees(3)**	**All Other Fees(4)**
StickIt December 31, 2022	\$47,404	Nil	Nil	Nil
StickIt December 31, 2021	\$47,404	Nil	Nil	Nil
Company 2022	\$8,900	Nil	Nil	Nil

Notes:

(1) "A*udit fees*" are fees billed by the Company's or StickIt's external auditors for services provided in auditing the Company's or StickIt's (as applicable) annual financial statements for the subject year.

(2) "*Non-Audit-related fees*" are fees billed by the Company's or StickIt's external auditors for assurance and related services that are reasonably related to the performance of the review of the Company's or Stickit's financial statements, as applicable.
(3) "*Tax fees*" are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
(4) "*All other fees*" are fees billed by the auditors for products and services not included in the foregoing categories.

CORPORATE GOVERNANCE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and will be charged with the day-to-day management of the Resulting Issuer.

The Board of Directors of the Resulting Issuer will be committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Resulting Issuer's anticipated corporate governance practices are summarized below:

Board of Directors

The Board of Directors facilitates its exercising of independent supervision over the Company's management through meetings of the Board of Directors and both directly and indirectly through its committees and independent members. Meetings of the independent directors and committees are not regularly scheduled but communication among this group occurs on an ongoing basis as needs arise from regularly scheduled meetings of the Board of Directors. The Board of Directors believes that adequate structures and processes are in place to facilitate the functioning of the Board of Directors with a level of independence of the Company's management.

The Board of Directors of the Company consists of five directors: Eli Ben-Haroosh, Asher Holzer, Orit Berger, Steven Glaser and Sophiya Galper-Komet. Steven Glaser and Orit Berger are independent members of the Board of Directors within the meaning of NI 58-101 in that they are independent and free from any material relationship with the Company which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

The remaining members of the Board of Directors are not considered independent: Mr. Eli Ben-Haroosh is President and Chief Executive Officer of the Company, Mr. Holzer is Chairman of the Company's board of directors and Ms. Galper-Komet is CFO and Corporate Secretary of the Company.

Participation of Directors in Other Reporting Issuers

The following directors of the Resulting Issuer hold directorships in other reporting issuers or reporting issuer equivalents as set out below:

Name of Director	Reporting Issuer(s) or Equivalent(s)
Ms. Galper Komet	SuperBuzz Inc. (TSXV)
Steven Galser	Delota Corp (CSE)
	Pool Safe Inc. (TSXV)

Board Responsibilities

The Board has overall responsibility for the stewardship of the Company. The Company's Board of Directors is empowered by governing corporate law and the Resulting Issuer's Articles to manage, or supervise the management of, the affairs and business of the Resulting Issuer.

The Board of Directors performs its functions through quarterly and special meetings and is expected to delegate certain of its responsibilities to those committees described below. In addition, upon Listing, the Board of Directors anticipates to establish policies and procedures that limit the ability of management to carry out certain specific activities without the prior approval of the Board of Directors.

Long-term strategies and annual operating and capital plans with respect to the Company's operations will be developed by senior management and reviewed and approved by the Board of Directors.

The Board of Directors, through the Audit Committee, will have the responsibility to identify the principal risks of the Resulting Issuer's business. It works with management to implement policies to identify the risks and to establish systems and procedures to ensure that these risks are monitored.

The Board of Directors will delegate responsibility for the integrity of internal controls and management information systems to the Audit Committee. The Resulting Issuer's external auditors will report directly to the Audit Committee. In its regular meetings with the external auditors, the Audit Committee will discuss, among other things, the Resulting Issuer's financial statements and the adequacy and effectiveness of the Resulting Issuer's internal controls and management information systems.

Orientation and Continuing Education

New directors will be briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, no formal orientation for new members of the Board is expected to be implemented, and this is considered to be appropriate, given the Resulting Issuer's size and anticipated level of operations. However, if the growth of the Resulting Issuer's operations warrants it, it is likely that a formal orientation process will be implemented.

Ethical Business Conduct

The Resulting Issuer does not expect to adopt a written code for ethical business conduct in the 12 months following Listing.

The Board of Directors will encourage and promote a culture of ethical business conduct by actively overseeing the management of the business. While there is no formal policy on ethical business conduct, the Resulting Issuer anticipates to carry out its business in accordance with the rules and regulations of all regulatory agencies to which it is subject. This culture of compliance will be stressed to all levels of management of the Resulting Issuer to ensure that business is conducted in an ethical and proper manner at all times.

The Company is established under and the Resulting Issuer is therefore expected to be governed by the provisions of the *Business Corporations Act* (British Columbia) (the "BCA"). Pursuant to the BCA, a director or officer of the Company must disclose to the Company in writing or by requesting that it be entered in the minutes of meetings of the Board of Directors, the nature and extent of any interest that he or she has in material contract or material transaction, whether made or proposed, with the Resulting Issuer, if the director of officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. The interested director cannot vote on any resolution to approve such contract or transaction.

Nomination of Directors

The Board of Directors is expected to consider 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 of Directors' duties effectively and to maintain a diversity of views and experience. The nomination of new directors is currently performed by the Board of Directors as a whole. However, if there is a change in the number of directors required by the Resulting Issuer, this policy will be reviewed.

Compensation of Directors

There are no current plans for the Resulting Issuer to pay any cash compensation to the proposed directors for services rendered in their capacity as directors, other than directors serving as NEOs. This matter will be reconsidered by the Board upon completion of the Listing. It is also expected that the Resulting Issuer will grant options to the proposed directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option based and share based awards are not yet determined.

Other Committees

Other than the Audit Committee, the Resulting Issuer anticipates that it will have no other standing committees upon Listing. Following the Listing, the Board will consider addition of other committees as appropriate.

Assessments

The Board of Directors does not consider that formal assessments would be useful at this stage of the Resulting Issuer's development. The Board of Directors expects that it will conduct informal annual assessments of the Board of Director's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board of Directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Expectations of Management

The Board of Directors expects management to operate the business of the Resulting Issuer in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Resulting Issuer's business plan and to meet performance goals and objectives.

LISTING APPLICATION

Application for Listing

The Company has applied for conditional approval to list its common shares on the CSE. Listing is subject to the approval of the CSE and the Company fulfilling all the listing requirements of the CSE.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, 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

An investment in the securities of the Company is speculative and involves significant risks which should be carefully considered by prospective investors before purchasing such securities. In addition to the other information set forth elsewhere in this Prospectus, the following risk factors should be given special consideration when evaluating an investment in any of the common shares or other securities of the Company. The following factors are not to be considered to be a definitive or exhaustive list of all risks associated with an investment in securities of the Resulting Issuer Risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely affect the Company's business, projections, results of operations and/or conditions (financial or otherwise).

All statements other than statements of historical fact, included in this Prospectus, including without limitation, future plans and objectives of the Company**, are forward-looking statements that involve various risks and uncertainties.**

Risks Associated with Israel-Hamas War

On October 8, 2023 State of Israel declared war on Hamas, a U.S. designated Foreign Terrorist Organization and a a terrorist entity pursuant to Anti-Terrorism Act (S.C. 2001, c. 41).

In addition to the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the current armed conflict in Israel and the Gaza Strip (the "War"), StickIt has some of its direct business operations in Israel and its exposure to the current conflict can severely affect its business and operation. StickIt might experience:

- **disruptions to its operations and business continuity, including physical damage or impaired access to company facilities, offices or technology, and disruptions in access to electricity, gasoline or water;**
- **Workforce disruptions, including impact on key individuals (employees, directors, officers or partners), mobilization of employees who are members of the Israeli military reserves to active duty, disrupted communication with employees in the conflict zone and restrictions on movement in areas subject to armed conflict;**
- **Disruptions to the company's customers and markets;**
- **Supplier, vendor and supply chain disruptions;**
- **Uncertainty around trade routes;**
- **Availability of travel to and from the region Insurance exclusions applicable to outbreak or escalation of armed conflict, declarations of war and/or terrorist acts; and**
- **Other uncertainties as a result of the War.**

Operational Risk

The activities that will be conducted by the Company will be subject to operational risks that include competition from other businesses, performance of key suppliers, product performance warranties, regulatory risks, successful integration of new acquisitions and dependence on key personnel, all of which could affect the Issuer's ability to meet its obligations.

Negative Cash Flow

Since founding, neither the Company nor StickIt has generated any positive cash flow from their respective operations and each of the Company and StickIt has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since operating funds will continue to be expended to pay its expenses.

Reliance on Various Suppliers

The operations of the **Company** will require significant resources and the business will be heavily dependent on its key suppliers. If the Resulting Issuer was, for any reason to be unable to maintain a business relationship with its key suppliers, its business and financial condition may be materially adversely affected.

To date, StickIt has not experienced any difficulties in obtaining adequate supplies from its suppliers. The Company will attempt to assure the availability of many of its products by contracting in advance for its annual requirements.

Competition

The smoking utensils industry, including, without limitation, cannabis industry, is highly competitive. Many of the Company's competitors for the acquisition, production and development of smoking utensils, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Resulting Issuer.

Government Regulations

Successful execution of the Company's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintaining and renewing its licenses. Although the Companywill position itself as a technology issuer, certain aspect of its operation will rely on cannabis industry. Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require the Resulting Issuer to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the Company's business. Neither StickIt nor the Company can predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on their business. Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions, including in countries that the Resulting Issuer plans to distribute its products.

In addition, the operations of the Company may require licenses and permits from various governmental authorities, including in foreign jurisdictions. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the development of its products.

The Company intends to expand internationally. As a result, it is expected to become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which the Company operates or imports or exports products or materials. In addition, the Company may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. The Company's failure to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on its business, financial condition and results of operations. If the Company's sales or operations were found to be in violation of such international regulations, it may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of its operations or asset seizures and the denial of regulatory applications.

Key Personnel

The success of the Resulting Issuer will be largely dependent upon the performance of its management and key employees, a major part of whom would be difficult to replace. The Resulting Issuer's success will depend in part on its ability to identify, attract and retain qualified personnel in the future or delays in hiring qualified personnel could make it difficult for the Resulting Issuer to manage its business and meet key objectives.

Industry Risk

The industry of smoking utensils involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of the management of the Resulting Issuer.

Technological Advances

The industry of smoking utilities is susceptible to significant technological advances and the introduction of new products utilizing new technologies. Further, this industry is also subject to changing industry standards and market trends and to competitive pressures. Due to rapid changes, the success of the Resulting Issuer will depend in part on its ability to develop and market products and services that respond in a timely manner to the technological advances and health industry standards.

Technology and Intellectual Property
The Resulting Issuer will rely on the protection of its intellectual property rights and the rights of third parties from which it has licensed intellectual property rights for its success. Notwithstanding precautions that the Resulting Issuer may take to protect its rights, third parties may copy or obtain and use the Resulting Issuer's proprietary and licensed technologies, ideas, know-how and other proprietary information without authorization, or may independently develop technologies or other intellectual property similar or superior to the Resulting Issuer's proprietary and licensed technologies and other intellectual property. The Resulting Issuer will have a policy of entering into confidentiality and non-competition agreements with its employees, strategic partners and clients. However these agreements may not provide meaningful protection of the Resulting Issuer's proprietary and licensed technologies or other intellectual property in the event of unauthorized use or disclosure. Policing unauthorized use of such technologies and intellectual property is extremely difficult and expensive. Furthermore, the laws of jurisdictions other than Canada and Israel may not provide meaningful protection of the Resulting Issuer's and such third parties' intellectual property rights.

Foreign Currency Fluctuations

The Resulting Issuer will consolidate the accounts of its foreign subsidiaries that will generate a significant portion of its revenue with customers based in countries outside Canada, will contract with suppliers and customers in currencies other than the Canadian dollar, and will carry monetary balances in foreign currencies. Any material fluctuation in the Canadian dollar relative to other currencies, particularly NIS, could have a negative impact on the Resulting Issuer's revenue, receivables, cost of sales, working capital position and earnings.

Financial Risks

Management believes that the financial resources of the Resulting Issuer will be at a sufficient level to cover all of its operating and financial costs in connection with the implementation of the short-term business plans of the Resulting Issuer. However, there can be no assurance that growth will be achieved at such levels or that additional financial resources may not be required due to unforeseen circumstances or a change in the business plans of the Resulting Issuer.

Additional Financing

The Resulting Issuer may acquire additional financing in order to make further investments or take advantage of future opportunities. The ability of the Resulting Issuer to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Resulting Issuer. The can be no assurance that the Resulting Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to the Resulting Issuer. If additional financing is raised by the issuance of shares or other forms of convertible securities from the treasury, control over the Resulting Issuer may change and the Shareholders may suffer additional dilution. If adequate funds will not be available, or will not be available on the accepted terms, the Resulting Issuer may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Conflict of Interest

Certain directors of the Resulting Issuer are or may become associated with other companies which may give rise to conflicts of interest. In accordance with the BCBCA, a director or officer who is a party to a material contract or proposed material contract or is a director or officer of or has a material interest in any entity who is a party to a material contract or a proposed material contract with the Resulting Issuer is required, subject to certain exemptions, to disclose that interest and generally to abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interest of the Resulting Issuer. All of the outside directors of the Resulting Issuer have either other full-time employment or other business or time restrictions placed on them and accordingly, the Resulting Issuer will not constitute the only business interest of such directors.

Payment of Dividends

The future payment of dividends on the Resulting Issuer Shares will be dependent upon the financial requirements of the Resulting Issuer to finance future growth, the financial condition of the Resulting Issuer and other factors which the Board of Directors of the Resulting Issuer may consider appropriate in the circumstances. The payment of dividends in the future is uncertain.

Dilution

Current shareholders will experience significant dilution to their shareholdings as a result of the Acquisition and the Listing. Moreover, should the Resulting Issuer require additional funds, it is likely that to obtain the necessary funds the Resulting Issuer will have to sell additional securities, including but not limited to, common shares or some form of convertible security, the effect of which would result in a substantial further dilution of the present equity interests of the shareholders. Further dilution may occur if the Resulting Issuer chooses to conclude further acquisitions of businesses in the future and to pay for such acquisitions by the issuance of common shares.

Nature of Securities

The acquisition of the Company's shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. These shares are speculative and should not be acquired by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major portion of an investor's portfolio.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States, Canada and Israel have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. The future market price of the Resulting Issuer's common shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in their respective results of operations, changes in financial estimates by securities analysts, changes in metal prices, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the Resulting Issuer's common shares. It may be anticipated that any quoted market for the Resulting Issuer's common shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer's common shares will be affected by such volatility.

No Public Trading Market

Currently there is no public market for the Resulting Issuer Shares, and there can be no assurance than an active market for the Resulting Issuer Shares will develop or be sustained after the Listing. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline.

No History of Earnings

The Company, StickIt and Resulting Issuer has no history of earnings, and there is no assurance that any of the current or future products and technological developments of the Resulting Issuer will generate earnings, operate profitably or provide a return on investment in the future.

Risk Associated with Foreign Operations in Other Countries

The Resulting Issuer's primary revenues are expected to be achieved in Israel, Europe and Canada. However, the Resulting Issuer may expand to markets outside of the aforementioned countries and become subject to risks normally associated with conducting business in other countries. The Resulting Issuer cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Resulting Issuer's business.

Risks the Resulting Issuer may face in operating in foreign jurisdictions include unforeseen government actions, acts of God, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events. All or any of these factors, limitations, or the perception thereof could impede the Resulting Issuer's activities, or otherwise have an adverse impact on the Resulting Issuer's valuation and stock price.

Increased Expenses as a Result of Being a Public Company

The Resulting Issuer expects to incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact performance and could cause results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the CSE may substantially increase expenses, including legal and accounting costs, and makes some activities more time consuming and costly. Reporting obligations as a public company and anticipated growth may place a strain on financial and management systems, processes and controls, as well as on personnel.

The Resulting Issuer also expects securities laws, rules and regulations to make it more expensive to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult to attract and retain qualified persons to serve on the Board or as officers. As a result of the foregoing, the Resulting Issuer expects a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact financial performance and could cause results of operations and financial condition to suffer.

Limited Experience Managing a Public Company

The individuals who will constitute the Resulting Issuer's senior management team have relatively limited experience managing a publicly traded company and limited experience complying with the increasingly complex laws pertaining to public companies compared to senior management of other publicly traded companies. The Resulting Issuer's senior management team may not successfully or efficiently manage the transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from senior management and could divert their attention away from the day to day management of the Resulting Issuer business.

Enforcement of Judgments Against Foreign Persons

A number of the proposed directors and officers of the Resulting Issuer reside outside of Canada. Some or all the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Variable Demand

StickIt believes that demand for smoking utensils, including Extra-C Sticks, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond its control. Any significant or prolonged decrease in consumer spending on smoking products and activities could adversely affect the demand for StickIt's product offerings, reducing its cash flows and revenues. If StickIt experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Product Liability

Resulting Issuer's products will be produced for sale both directly and indirectly to end consumers, and therefore it might face an inherent risk of exposure if product liability claims, regulatory action and litigation of Resulting Issuer's products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human use of the Resulting Issuer's products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that our products caused injury or illness or include inadequate instructions for use or warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs to produce its products and could have a material adverse effect on its business and operational results.

Changing Consumer Preferences

As a result of changing consumer preferences, many smoking, cannabis or other innovative products attain financial success for a limited period of time. Even if the Resulting Issuer's products find some retail success, there can be no assurance that any of its products will continue to see extended financial success. The Resulting Issuer's success will depend upon its ability to develop new and improved product lines.

Unfavourable Publicity

Smoking industry in general and cannabis industry in particular, is extremely dependent upon consumer perception regarding the safety, efficacy and quality of the products and perceptions of regulatory compliance. Consumer perception of smoking products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the smoking utensils market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and its business, results of operations, financial condition and cash flows.

Additional Labeling or Warning Requirements on our Products

Various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of the Resulting Issuer's products relating to the content or perceived adverse health consequences of the Resulting Issuer's products. Federal laws may pre-empt some or all of those attempts by state/provincial or localities to impose additional labeling or warning requirements. If these types of requirements become applicable to the Resulting Issuer's products under current or future environmental or health laws or regulations, they may inhibit sales of the Resulting Issuer's products. Moreover, if the Resulting Issuer fails to meet compliance deadlines for any such new requirements, its products may be deemed misbranded or mislabeled and could be subject to enforcement action, or the Resulting Issuer could be exposed to private lawsuits alleging misleading labels or product promotion.

PROMOTERS

Mr. Eli Ban-Haroosh may be considered to be a promoter of the Resulting Issuer under applicable securities laws by reason of having taken the initiative in founding and organizing the business and enterprise of StickIt. Mr. Ben-Haroosh will hold directly 11,707,597 common shares (or 8.91% of the current outstanding share capital of the Resulting Issuer).

Other than as disclosed elsewhere in this Prospectus, no person who was a promoter of the Resulting Issuer within the last two years:

- received anything of value directly or indirectly from the Resulting Issuer or a subsidiary;

- sold or otherwise transferred any asset to the Resulting Issuer 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.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company or StickIt is not and has not been a party to any legal proceedings, nor is it aware of any contemplated legal proceedings, since the beginning of its most recently completed financial year. The Company or StickIt is not and has not been subject to any penalties or sanctions imposed by a court or regulatory body or entered into any settlement agreements with a court or regulatory body.

The Company or StickIt have not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus. Management of the Company or StickIt or proposed management of the Resulting Issuer are not aware of any such settlement agreements entered into by the Company or StickIt.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Prospectus, there are no material interests, direct or indirect, of any of the Company's or StickIt's directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Resulting Issuer or any of its subsidiaries.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The Company's auditor is Bassi & Karimjee LLP, of 7900 Hurontario St #504, Brampton, ON L6Y 0P6, Canada.

StickIt's auditor is Crowe (Israel) of Tuval St. 40, Ramat Gan, Israel.

Transfer Agent and Registrar

The transfer agent and registrar of the common shares of the Company is Endeavor Trust Corporation, located at Suite 702 - 777 Hornby St, Vancouver, BC V6Z 1S4.

MATERIAL CONTRACTS

This Prospectus includes a summary description of certain of the Company's and StickIt's material agreements. The summary description discloses all attributes material to an investor in the Common Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the system for electronic document analysis and retrieval ("**SEDAR+**"), at www.sedarplus.ca, under the Resulting Issuer's profile. Investors are encouraged to read the full text of such material agreements.

The following are the only material contracts that will be in effect upon Listing (other than certain agreements entered into in the ordinary course of business):

(1) the Escrow Agreement dated October 24, 2023; and
(2) the Business Combination Agreement dated September 13, 2022, including the amendments.

Copies of the material contracts will be available under the Company's profile at www.sedarplus.ca following the Listing.

EXPERTS

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in this Prospectus as having prepared or certified a part of that document or a report of valuation described in the Prospectus:

(1) The audited financial statements of StickIt included with this Prospectus have been subject to audit by Crowe (Israel), and their audit report is included herein.

(2) The audited financial statements of the Company included with this Prospectus have been subject to audit by Bassi & Karimjee LLP, and their audit report is included herein.

(3) The valuation prepared by Mr. Tzach Kasuto, M.Sc. of BETA Finance T.Y.S. in May of 2023.

To the knowledge of management of the Company and StickIt, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company, StickIt, or the anticipated property of the Resulting Issuer or of an associate or affiliate of any of them, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company, StickIt, or the Resulting Issuer and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company, StickIt, or the Resulting Issuer or of an associate or affiliate thereof.

Bassi & Karimjee LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and Crowe Horwath (Israel) is independed of StickIt. Mr. Tzach Kasuto, M.Sc. of BETA Finance T.Y.S. is independent of both the Company and StickIt.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities being qualified for distribution hereunder which have not been disclosed elsewhere in this Prospectus.

FINANCIAL STATEMENTS

The audited financial statements of the Company for financial year ended February 28, 2023 are included in this Prospectus as part of Schedule "B1" and the unaudited interim financial statements for the three month period ended May 31, 2023 are included in this Prospectus as part of Schedule "B2.

The audited financial statements of StickIt for financial years ended December 31, 2022 and 2021 are included in this Prospectus as part of Schedule "C1" and the interim condensed consolidated financial statements for the six month period ended June 30, 2023 are included in this Prospectus as part of Schedule "C2.

The pro-forma financial statements as of May 31, 2023 are included in this Prospectus as part of Schedule "D".

AUDIT COMMITTEE CHARTER

1. MANDATE

1.1 The primary function of the audit committee (the “Committee”) of StickIt Technologies Inc. (the “Corporation”) is to assist the Board of Directors of the Corporation (the "Board of Directors") in fulfilling is financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors (the “Auditor”).
- Provide an open avenue of communication among the Corporation’s auditors, management and the Board of Directors.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 The Committee shall consist of at least three members (collectively referred to as “Members” and individually referred to as “Member”). Each Member must be a director of the Corporation. A majority of the Members shall not be officers or employees of the Corporation or of an affiliate of the Corporation. At least one (1) member of the Committee shall be financially literate. All Members who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term “financially literate” means 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 issues that can reasonably be expected to be raised by the Corporation’s financial statements.

2.2 The Members shall be appointed by the Board of Directors at its first meeting following the annual shareholders’ meeting. The responsibilities of a Member shall be in addition to such Member’s duties as a director of the Corporation. Unless a chairperson of the Committee (the “Chair”) is elected by the full Board of Directors, the Members may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

2.3 The Committee shall be accountable to the Board of Directors, and the Board of Directors may at any time remove or replace any Member and may fill any vacancy in the Committee.

3. MEETINGS OF THE COMMITTEE

3.1 Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all Members are present and waive notice, or those absent waive notice before or after a meeting, the Chair will give the Members 24 hours’ advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

3.2 The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation’s annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Corporation.

3.3 At each meeting of the Committee, a quorum shall consist of a majority of Members that are not officers or employees of the Corporation or of an affiliate of the Corporation. A Member may participate in a meeting of the Committee in person or by telephone if all Members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all Members who wish to participate in the meeting agree to such participation.

3.4 The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements.

3.5 The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. At each meeting, the Chair shall appoint a secretary to keep minutes of the meeting. Minutes of all Committee meetings must be signed by the chair of the meeting or by the chair of the next succeeding meeting.

4. RESPONSIBILITIES AND DUTIES

4.1 To fulfill its responsibilities and duties, the Committee shall:

(i) review the annual financial statements of the Corporation and the auditor's report thereon and report to the Board of Directors prior to publishing;

(b) review the Corporation's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses such information;

(c) review and satisfy itself that adequate procedures are in place and review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures;

(d) be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Corporation;

(e) review and refer to appropriate persons concerns or complaints relating to accounting or audit matters and oversee and give direction to such appropriate persons;

(f) take prompt and appropriate corrective action when and as warranted its judgment in response to a concern or complaint relating to accounting or audit matters;

(g) require the Auditor to report directly to the Committee;

(h) review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation;

(i) review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor;

(j) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor;

(k) recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor;

(l) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Corporation;

(m) review with management and the Auditor the audit plan for the annual financial statements;

(n) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;

   (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

   (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more Members to whom authority to grant such approvals has been delegated by the Committee.

   The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any Member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval;

(o) in consultation with the Auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external;

(p) consider the Auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

(q) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the Auditor and management;

(r) review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments;

(s) following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information;

(t) review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements;

(u) review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(v) discuss with the Auditor the Auditor's perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information;

(w) review with the Auditor their assessment of internal controls, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weakness;

(x) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(y) establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(z) perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation;

(aa) report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee; and

(bb) review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

4.2 In addition to the duties required of the Chair by the Terms of Reference for Committees, the Chair shall determine whether a concern or complaint pertains to accounting matters; and when and / or where possible, acknowledge receipt of the concern or complaint to the submitter. The Chair will also maintain a log of all concerns or complaints, tracking their receipt and treatment and shall prepare a periodic summary report thereof for the Committee.

5. OVERSIGHT FUNCTION

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

6. AUTHORITY

6.1 The Committee is authorized to:

(a) to seek any information it requires from any employee of the Corporation in order to perform its duties;

(b) to engage, at the Corporation's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;

(c) to set and pay compensation for any advisors engaged by the Committee; and

(d) to communicate directly with the internal and external auditors of the Corporation.

6.2 This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

SCHEDULE “B1”

AQUAZOOM HYDROPOWER SOLUTIONS INC.

AUDITED FINANCIAL STATEMENTS FOR EIGHT MONTHS PERIOD ENDED FEBRUARY 28, 2023 AND ONE MONTH PERIOD ENDED JULY 7, 2022

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Financial Statements

Eight Months Period Ended February 28, 2023 and One Month Period Ended July 7, 2022

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Index to Financial Statements

Eight Months Period Ended February 28, 2023 and One Month Period Ended July 7, 2022

BASSI & KARIMJEE LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AQUAZOOM HYDROPOWER SOLUTIONS INC.

Opinion

We have audited the financial statements of AQUAZOOM HYDROPOWER SOLUTIONS INC. (the Company), which comprise the statement of financial position as at February 28, 2023, and the statements of loss and deficit and cash flows for the eight month period from date of plan of arrangement July 7, 2022 to February 28, 2023 then ended, 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 28, 2023, and the financial performance and cash flows for the period then ended 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 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.

Other Matter

The financial statements for the sixteen month period from date of incorporation March 11, 2021 to plan of arrangement July 7, 2022 were prepared by another practitioner and are unaudited.

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.

(continues)

Independent Auditor's Report to the Shareholders of AQUAZOOM HYDROPOWER SOLUTIONS INC. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The engagement partner on the audit resulting in this independent auditor's report is Joozer Karimjee, CPA, CA.

Bassi & Karimjee LLP

Brampton, Ontario
March 24, 2023

Chartered Professional Accountants
Licensed Public Accountants

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Statement of Financial Position

As at February 28, 2023 and July 7, 2022

	***February 28* 2023**	*July 7* 2022
ASSETS		
CURRENT		
Cash	**$ 100**	$ 100
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable and accrued liabilities *(Note 3)*	**$ 14,954**	$ -
SHAREHOLDERS' DEFICIENCY		
Share capital *(Note 4)*	**100**	100
Retained earnings (deficit)	**(14,954)**	-
	(14,854)	100
	$ 100	$ 100

NATURE OF BUSINESS *(Note 1)*

EVENTS AFTER REPORTING PERIOD *(Note 9)*

ON BEHALF OF THE BOARD

/s/ Don Gordon ______________ *Director*

/s/ Shawn Ripley ______________ *Director*

See notes to financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Statement of Profit or Loss and Comprehensive Income

For the Eight Month Period Ended February 28, 2023 and One Month Period Ended July 7, 2022

	February 28 2023 (8 months)	July 7 2022 (1 month)
EXPENSES		
Professional fees	$ 10,474	$ -
Transfer agent and regulatory	4,480	-
	14,954	-
NET LOSS	(14,954)	-
RETAINED EARNINGS - BEGINNING OF PERIOD	-	-
RETAINED EARNINGS (DEFICIT) - END OF PERIOD	$ (14,954)	$ -
LOSS PER SHARE	$ (14.37)	$ -
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	100	-

See notes to financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.
Statement of Changes in Shareholders' Equity (Deficiency)
For the Eight Month Period Ended February 28, 2023

	Number of shares		Common Shares		Deficit		Total
Balance, May 31, 2022	100	$	100	$	100	$	100
Net loss	-		-		-		-
Balance, July 7, 2022	100		100		100		100
Net loss	-		-		(14,954)		(14,954)
Balance, February 28, 2023	100	$	100	$	(14,854)	$	(14,854)

See notes to financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Statement of Cash Flows

For the Eight Month Period Ended February 28, 2023 and One Month Period Ended July 7, 2022

		February 28 **2023** ***(8 months)***		*July 7* 2022 *(1 month)*
OPERATING ACTIVITIES				
Net loss	**$**	**(14,954)**	$	-
Change in non-cash working capital:				
Accounts payable and accrued liabilities		**14,954**		-
INCREASE IN CASH FLOW		**-**		-
CASH - BEGINNING OF YEAR		**100**		100
CASH - END OF PERIOD	**$**	**100**	$	100

See notes to financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Notes to Financial Statements

Period Ended February 28, 2023

1. NATURE OF OPERATIONS

AQUAZOOM HYDROPOWER SOLUTIONS INC. ("AHSI" or the "Company") was incorporated under the British Columbia Business Corporations Act as a as a wholly-owned subsidiary of a reporting issuer, Explorinvest Capital Corp. ("Explorinvest") on March 11, 2021. On April 1, 2021, Explorinvest and AquaZoom AG entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and AquaZoom AG to form the Issuer to commence operations in business to implement hydro vortex technology in sustainable power generation projects.

Explorinvest entered into an arrangement agreement (the "Arrangement Agreement") with its wholly-owned subsidiary: AHSI. Under the terms of the Arrangement Agreement, Explorinvest would complete a plan of arrangement (the "Plan of Arrangement") which would divest Explorinvest of the asset consisting of the LOI, which would be divested to the Company in consideration of 14,403,698 common shares of the Company.

Explorinvest received shareholder approval to the Arrangement at an annual general and special meeting of shareholders held on December 17, 2021, and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. Shares for the plan of Arrangement have been issued on July 7, 2022.

On September 13, 2022 Explorivest entered into a business combination agreement (the "Agreement") with StickIt Ltd., an Israeli private company ("StickIt"). Pursuant to the Agreement, the Company and StickIt have agreed to a proposed arm's length acquisition (the "Transaction") by the Company of 100% of the issued and outstanding securities of StickIt in exchange for the issuance of securities of the Company. The Transaction is intended to constitute the Company's Reverse Take-Over. On closing of the Transaction, the business of the Company will be the business of StickIt. The Company will seek shareholder approval for special matters in connection with the Transaction, to the extent required by applicable law or as deemed advisable by the parties. The Transaction is conditional on, among other things, the Company receiving an independent valuation of Stickit at or above $50,000,000.00 (fifty million dollars) and the Company completing one or more private placement(s) (collectively, the "Concurrent Financings") for gross proceeds of an aggregate of CA$3,000,00. Unless the parties agree otherwise, the Agreement will terminate if, among other things, the Transaction did not complete by March 31, 2023. However, the management has plan to seek an extension.

The Company's head office is located at 302-370 Esplanade East, North Vancouver, British Columbia, V7L 1A4.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately the attainment of profitable operations and positive cash flows. Failure to obtain sufficient financing or other appropriate arrangements would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and the reported operating results should the Company be unable to continue as a going concern. For the nine months period ended February 28, 2023, the Company incurred an operating loss of $14,954 and has incurred accumulated losses of $14,954 since inception.

Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration programs, and where practical, reducing overhead costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue on March 30, 2023, by the directors of the Company.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. Management uses the Black-Scholes Option Pricing Model for valuation of investment in warrants, which requires the input of subjective assumptions including expected price volatility, risk-free interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company’s results of operations.

The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs are recognized as an expense when incurred but development costs may be capitalized as intangible assets if certain conditions are met as described in IAS 38 Intangible Assets. Management has determined that development costs do not meet the conditions for capitalization under IAS 38 and all research and development costs have or will been expensed when incurred.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollars is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

iii. Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as liquidity of its assets, current working capital balance and future commitments of the Company.

iv. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

Functional and foreign currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents

Cash consists primarily of cash held at a Canadian bank.

Financial instruments

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). A financial liability is classified as measured at: amortized cost or FVTPL. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument.

Transaction costs are included in the initial carrying value of financial instruments measured at amortized cost and effectively amortized through profit or loss over the life of the instrument. For financial instruments measured at FVOCI, transaction costs are recognized in OCI as part of a change in fair value at the next re-measurement. For financial instruments measured at FVTPL, transaction costs are expensed as incurred.

Financial instruments are recognized initially on trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Classification of financial assets

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the 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 give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the 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 give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification of financial liabilities

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL or designation at FVTPL. These exceptions include financial liabilities at fair value through profit or loss, such as derivatives that are liabilities, and financial liabilities that have been designated as measured at FVTPL. The Company, at initial recognition, may irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant in AHSI.

The Company has classified account payables and accrued liabilities as measured at amortized cost.

Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets

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 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.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Income taxes

Income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

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

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

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share capital

Common shares and obligation to issue shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non- monetary consideration are measured based on their market value at the date the common shares are issued.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to the more easily measurable component, the common share, based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital.

Share-based payments

The Company grants stock options to directors, officers, employees and service providers. The fair value of the options granted to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized immediately when the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The fair value of the options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related party transactions

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

3. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

For the period ended February 28, 2023, the Company incurred $NIL (2022-$NIL) for consulting or management fees provided by directors and had $1,575 (2022-$NIL) balance in accounts payable due to CFO who paid for professional fee related to the interim financial statements.

4. SHARE CAPITAL

Authorized:
Unlimited Common shares without par value, voting

		February 28 **2023**	*July 7* 2022
Issued:			
14,403,698	Common shares	**$ 100**	$ 100

100 incorporator shares were issued to Explorinvest for $100 on March 11, 2021.

14,403,698 shares were issued under the plan of arrangement in exchange for 100 incorporation shares on July 7, 2022.

Stock option plan

The Company has adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange’s requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at and during the period ended February 28, 2023, no options were granted or outstanding.

5. INCOME TAXES

Deferred tax assets have not been recognized in respect of the non-capital losses carried forward $14,954 not probable that future taxable profit will be available against which the company can use the benefits, due to the early stage of the company and lack of history of taxable income.

6. FINANCIAL INSTRUMENTS

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of February 28, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at February 28, 2023, the Company had $14,954 accounts payable outstanding and the carrying value of cash and cash equivalents was $100.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2023 the Company had a cash balance of $100 and current liabilities of $14,954.

(continues)

6. FINANCIAL INSTRUMENTS *(continued)*

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company's sensitivity to change in foreign currency exchange rates is currently immaterial.

(d) Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

(e) Strategic and operational risks

Strategic and operational risks are risks that arise if the Company fails to carry out business operations and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

7. MANAGEMENT OF CAPITAL

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. The Company manages its liquidity to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of financial statements. The Company considers shareholders' equity and cash as its capital. The Company's primary objective with respect to its capital management is to ensure that is has sufficient cash resources to fund its research and development program. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any externally imposed capital requirements.

8. RECENT ACCOUNTING PRONOUNCEMENTS

Various pronouncements have been issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee that will be effective for future accounting periods. The company closely monitors new accounting standards as well as amendments to existing standards and assesses what impact, if any, they will have on the financial statements. Most of the standards are not expected to have a material impact to the company but one standard that is applicable and currently being evaluated is summarized below.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies, and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. We are currently assessing the impacts of the amended standards but do not expect a significant impact to our financial disclosures.

9. EVENTS AFTER THE REPORTING YEAR

The management of the company had initial plans for Reverse Take Over (RTO) on March 31, 2023. At present it seems very unlikely that RTO will take place on March 31, 2023 due to very short period of time left, therefore , the management will postpone RTO to a later date.

SCHEDULE “B2”

AQUAZOOM HYDROPOWER SOLUTIONS INC.

INTERIM UNAUDITED FINANCIAL STATEMENTS
FOR THREE MONTHS PERIOD ENDED MAY 31, 2023

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Condensed Interim Financial Statements
For the Three Months Ended May 31, 2023, and Eight Months Period Ended February 28, 2023

(Unaudited)
(Expressed in Canadian dollars)

BASSI & KARIMJEE LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

INDEPENDENT PRACTIONERS INTERIM REVIEW REPORT

To the Board of Directors of Aquazoom Hydropower Solutions Inc.

In accordance with our engagement letter dated August 21, 2023, we have performed an interim review of the statement of financial position of Aquazoom Hydropower Solutions Inc. as at May 31, 2023, the statement of comprehensive income, statement of changes in equity and cash flows for the three-month period then ended. These financial statements are the responsibility of Aquazoom Hydropower Solutions Inc's. management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

We audited the financial statements of Aquazoom Hydropower Solutions Inc. for the year ended February 28, 2023 in accordance with Canadian generally accepted standards and expressed an unqualified opinion on those statements as per the report dated March 24, 2023. Aquazoom Hydropower Solutions Inc.'s statement of financial position as at February 28, 2023, the statement of comprehensive income, statement of changes in equity and cash flows for the eight month period ended February 28, 2023 have been presented for comparative purposes which we have audited and issued a report thereon as stated above and we have not performed any other auditing procedures subsequent to the date of that report.

This report is solely for the use of the Audit Committee of Aquazoom Hydropower Solutions Inc. to assist it in discharging its regulatory obligation to review these financial statements and should not be used for any other purpose.

Bassi & Karimjee LLP

Brampton, Ontario
August 30, 2023

Chartered Professional Accountants
Licensed Public Accountants

7900 Hurontario Street, Suite 504, Brampton, Ontario L6Y 0P6
Tel: (905) 595-9600 • Fax: (905) 595-9601 • Toll-Free: 1-(855)-595-9600 • e-mail: info@bkllp.ca • Web: www.bkllp.ca

AQUAZOOM HYDROPOWER SOLUTIONS INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

		May 31, 2023	February 28, 2023 (audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$	100	100
		-	-
TOTAL ASSETS	$	100	100
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$	10,133	14,954
Due to director (Note 7)		1,575	
Due to related party (Note 7)		38,909	-
TOTAL LIABILITIES		50,617	14,954
SHAREHOLDERS' EQUITY			
Share capital (Note 5)		100	100
Retained earnings		(50,617)	(14,854)
TOTAL SHAREHOLDERS' EQUITY		(50,517)	(14,854)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	100	100

Nature of Operations and Going Concern (note 1)

These condensed interim financial statements were approved for issuance by the Board of Directors on July 27, 2023 and signed on its behalf by:

" Donald Gordon " ______________________________,

Director

"William Gordon" ______________________________,

Director

The accompanying notes are an integral part of these condensed interim financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.
Condensed Interim Statements of Operations and Comprehensive Income
(Unaudited - Expressed in Canadian dollars)

		Three Months Ended May 31, 2023	Eight Months Ended February 28, 2023
EXPENSES			
Administrative	$	10	-
Professional fees		35,653	10,474
Transfer agent and regulatory		-	4,480
TOTAL EXPENSES		35,663	14,954
LOSS FROM OPERATIONS	$	(35,663)	(14,954)
TOTAL OTHER ITEMS		-	-
COMPREHENSIVE INCOME FOR THE PERIOD		(35,663)	(14,954)
Earnings (loss) per share - basic and diluted	$	(0.002)	(0.001)
Weighted average number of common shares outstanding		14,403,698	14,403,698

The accompanying notes are an integral part of these condensed interim financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in Canadian dollars)

	Number of outstanding shares	Share capital	Retained earnings	Total shareholders' equity
Balance, February 28, 2022	100	100	-	100
Net Income (loss)	-	-	-	-
Balance, May 31, 2022	100	100	-	100
Share cancelation	(100)	(100)		
Share issuance	14,403,698	100		
Net Income (loss)	-	-	(14,954)	(14,954)
Balance, February 28, 2023	14,403,698	100	(14,954)	(14,854)
Net Income (loss)	-	-	(35,663)	(35,663)
Balance, May 31, 2023	14,403,698	100	(50,617)	(50,517)

The accompanying notes are an integral part of these condensed interim financial statements

AQUAZOOM HYDROPOWER SOLUTIONS INC.
Statements of Cash Flows
(Unaudited) - Expressed in Canadian dollars)

		Three Months Ended May 31, 2023	Eight Months Ended February 28, 2023
Cash and cash equivalents provided by (used in):			
OPERATING ACTIVITIES			
Net income (loss) for the period	$	(35,663)	(14,954)
Change in non-cash working capital:			
Accounts payable and accrued liabilities		(4,821)	14,954
Net cash provided by (used in) operating activities		(40,484)	-
INVESTING ACTIVITIES			
		-	-
Net cash provided by (used in) investing activities		-	-
FINANCING ACTIVITIES			
Due to director		1,575	-
Due to related party		38,909	-
Net cash provided by (used in) financing activities		40,484	-
Change in cash and cash equivalents		-	-0
Cash and cash equivalents, beginning		100	100
Cash and cash equivalents, ending	$	100	100

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

AQUAZOOM HYDROPOWER SOLUTIONS INC. ("AHSI" or the "Company") was incorporated under the British Columbia Business Corporations Act as a as a wholly-owned subsidiary of a reporting issuer, Explorinvest Capital Corp. ("Explorinvest") on March 11, 2021. On April 1, 2021, Explorinvest and AquaZoom AG entered into a letter of intent (the "LOI") providing for the amalgamation of the Company and AquaZoom AG to form the Issuer to commence operations in business to implement hydro vortex technology in sustainable power generation projects.

Explorinvest entered into an arrangement agreement (the "Arrangement Agreement") with its wholly- owned subsidiary: AHSI. Under the terms of the Arrangement Agreement, Explorinvest would complete a plan of arrangement (the "Plan of Arrangement") which would divest Explorinvest of the asset consisting of the LOI, which would be divested to the Company in consideration of 14,403,698 common shares of the Company.

Explorinvest received shareholder approval to the Arrangement at an annual general and special meeting of shareholders held on December 17, 2021, and received final approval to the Arrangement from the Supreme Court of British Columbia on January 7, 2022. Shares for the plan of Arrangement have been issued on July 7, 2022.

On September 13, 2022 Explorivest entered into a business combination agreement (the "Agreement") with StickIt Ltd., an Israeli private company ("StickIt"). Pursuant to the Agreement, the Company and StickIt have agreed to a proposed arm's length acquisition (the "Transaction") by the Company of 100% of the issued and outstanding securities of StickIt in exchange for the issuance of securities of the Company. The Transaction is intended to constitute the Company's Reverse Take- Over. On closing of the Transaction, the business of the Company will be the business of StickIt. The Company will seek shareholder approval for special matters in connection with the Transaction, to the extent required by applicable law or as deemed advisable by the parties. The Transaction is conditional on, among other things, the Company receiving an independent valuation of Stickit at or above $50,000,000.00 (fifty million dollars) and the Company completing one or more private placement(s) (collectively, the "Concurrent Financings") for gross proceeds of an aggregate of CA$500,000. Unless the parties agree otherwise, the Agreement will terminate if, among other things, the Transaction did not complete by May 31, 2023. However, the management has plan to seek an extension.

The Company's head office is located at 302-370 Esplanade East, North Vancouver, British Columbia, V7L 1A4.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately the attainment of profitable operations and positive cash flows. Failure to obtain sufficient financing or other appropriate arrangements would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These financial statements do not give effect to adjustments that might be necessary to the carrying values, classification of assets and liabilities, and the reported operating results should the Company be unable to continue as a going concern. For the Three months period ended May 31, 2023, the Company incurred an operating loss of $35,663 and has incurred accumulated losses of $50,617 since inception.

Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration programs, and where practical, reducing overhead costs.

2. BASIS OF PRESENTATION

[a] Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2. BASIS OF PRESENTATION (CONTINUED)

[b] Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

[c] Functional and foreign currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

[d] Significant accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments 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. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs are recognized as an expense when incurred but development costs may be capitalized as intangible assets if certain conditions are met as described in IAS 38 Intangible Assets. Management has determined that development costs do not meet the conditions for capitalization under IAS 38 and all research and development costs have or will been expensed when incurred.

ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollars is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

iii. Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as liquidity of its assets, current working capital balance and future commitments of the Company.

iv. Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

2. BASIS OF PRESENTATION (CONTINUED)

Estimates

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. Management uses the Black-Scholes Option Pricing Model for valuation of investment in warrants, which requires the input of subjective assumptions including expected price volatility, risk-free interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's results of operations.

The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

3. SIGNIFICANT ACCOUNTING POLICIES

[a] Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand, treasury bills, and highlight liquid money market funds convertible into cash in less than one month. Interest income is earned on short term investments recorded as cash equivalents and is recognized when incurred.

[b] Financial instruments

Recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). A financial liability is classified as measured at: amortized cost or FVTPL. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument.

Transaction costs are included in the initial carrying value of financial instruments measured at amortized cost and effectively amortized through profit or loss over the life of the instrument. For financial instruments measured at FVOCI, transaction costs are recognized in OCI as part of a change in fair value at the next re-measurement. For financial instruments measured at FVTPL, transaction costs are expensed as incurred.

Financial instruments are recognized initially on trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of financial assets

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the 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 give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

[b] Financial instruments

Classification of financial liabilities

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL or designation at FVTPL. These exceptions include financial liabilities at fair value through profit or loss, such as derivatives that are liabilities, and financial liabilities that have been designated as measured at FVTPL. The Company, at initial recognition, may irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant in AHSI.

The Company has classified account payables and accrued liabilities as measured at amortized cost.

Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of operations and comprehensive income or loss.

Impairment of financial assets

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[c] Intangible assets

Intangible assets with finite useful lives are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization is provide on a straight-line basis over the estimated useful lives of the patents which range from 2- 4 years.

[d] Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit ("CGU") is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

[e] Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

[f] Share capital

Common shares and obligation to issue shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to the more easily measurable component, the common share, based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[g] Share-based payments

The Company grants stock options to directors, officers, employees and service providers. The fair value of the options granted to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized immediately when the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The fair value of the options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

[h] Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

[i] Income taxes

Income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

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

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

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

[j] Related party transactions

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[k] Leases
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term. The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

As at May 31, 2023, the Company did not have any leases.

[l] Reclassification of comparatives

Certain prior year amounts have been reclassified for consistency with the current year presentation, such as the exploration advance and the exploration and evaluation assets have been aggregated. This reclassification had no effect on the reported results of operations.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Various pronouncements have been issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee that will be effective for future accounting periods. The company closely monitors new accounting standards as well as amendments to existing standards and assesses what impact, if any, they will have on the financial statements. Most of the standards are not expected to have a material impact to the company but one standard that is applicable and currently being evaluated is summarized below.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies, and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. We are currently assessing the impacts of the amended standards but do not expect a significant impact to our financial disclosures.

5. SHARE CAPITAL

[a] Authorized common shares

There are an unlimited number of common shares without par value authorized for issue.

[b] Issued

100 incorporator shares were issued to Explorinvest for $100 on March 11, 2021.

14,403,698 shares were issued under the plan of arrangement in exchange for 100 incorporation shares on July 7, 2022

[c] Stock option plan

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of five years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at and during the period ended May 31, 2023, no options were granted or outstanding.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of May 31, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at May 31, 2023, the Company had $10,133 accounts payable, and $1,575 due to director, and $38,909 due to related party outstanding and the carrying value of cash and cash equivalents was $100.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May, 2023 the Company had a cash balance of $100 and current liabilities of $50,617.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company's sensitivity to change in foreign currency exchange rates is currently immaterial.

(d) Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

(e) Strategic and operational risks

Strategic and operational risks are risks that arise if the Company fails to carry out business operations and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

.

7. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

For the period ended May 31, 2023, the Company incurred $NIL (February 2023-$NIL) for consulting or management fees provided by directors and had $1,575 balance due to director (February 2023-$NIL), and $38,909 due to related party (February 2023-$NIL).

8 MANAGEMENT OF CAPITAL

The Company's objectives in managing capital are to ensure sufficient liquidity to finance its corporate administration and working capital. The Company manages its liquidity to minimize shareholder dilution whenever possible. The Company manages its capital through regular board meetings and ongoing review of financial statements. The Company considers shareholders' equity and cash as its capital. The Company's primary objective with respect to its capital management is to ensure that is has sufficient cash resources to fund its research and development program. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any externally imposed capital requirements.

9. SEGMENTED REPORTING

The Company has one operating segment- implementation of hydro vortex technology in sustainable power generation projects.

10. SUBSEQUENT EVENTS

On July 27, 2023, in connection with the Company's proposed acquisition of StickIt, the Company filed its preliminary non-offering prospectus with British Columbia Securities Commission. Concurrently with the filing of the prospectus, the Company intends to apply to list its issued and outstanding Common Shares on the Canadian Securities Exchange ("CSE"). The listing will be subject to the fulfilling all the listing requirements of the CSE.

SCHEDULE “C1”

STICKIT LTD.

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

STICKIT LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEX

Ovadia Pick Kriheli & Co.
40 Tuval St.
Ramat Gan 5252247, Israel
Main +972 3 7538300
Fax +972 36 7606787
www.crowe.co.il

Independent Auditor`s Report to the shareholders of

STICKIT LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of STICKIT LIMITED and its subsidiaries (the - "Company"), which comprise the consolidated statements of financial position as of 31 December 2022 and 2021 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years ended on 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2022, and its financial performance and its cash flows for the year ended on 31 December 2022 in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor`s responsibilities for the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor`s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	**Description of Key Audit Matter and why a matter of most significance in the in the audit**	**Description of Auditor`s Response**
Going Concern	Since inception, the Company has suffered continuous losses from its business operations and has generated negative cash flows from operating activities. As of December 31, 2022, the Company had a cash balance of CAD 995 thousand, and an accumulated deficit of CAD 4,065 thousand. As address in Note 1C, the Company`s Board of Directors and Management of the Company designed a business plan for 12 months of operations from the date of the financial position, and review the Company's forecast of operating results, cash flow projections and potential liquidity risks. Based the results of this review, the Company Board of Director and Management concluded that the Company have sufficient resources for the continuation of its activities and to meet its obligation in the foreseeable future.	To conclude on the appropriateness of Management`s use of the going concern basis in preparation of the consolidated financial statements, and in order to conclude whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Company's ability to continue as a going concern, and the appropriateness of the Company financial position disclosure, we performed substantive and analytical audit procedures, which included among other: (1) Review and evaluate Management forecasts, examining their reasonableness Management plans and key assumption, obtaining substantive evidence and examining whether the forecasts are adequate and sufficient for Company to continue operations beyond a period of at least 12 months from the date of approval of the financial statements. (2) Confirming the existence, legality and enforceability of arrangements to provide or maintain financial support with related parties. (3) Performing audit procedures regarding subsequent events to identify those that either mitigate or otherwise affect the entity`s ability to continue as a going concern. (4) Examine the adequacy of the disclosure in the consolidated financial statements regarding the Company's financial position.

Other information included in the Company`s 2022 Annual Report

Other information consists of the information included in the Group`s 2022 Annual Report other than the consolidated financial statements and our auditor`s report thereon. Management is responsible for the other information. The Group`s 2022 Annual Report is expected to be made available to us after the date of this auditor`s report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the consolidated financial statements.

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

In preparing the consolidated financial statements, Management is responsible for assessing the Company`s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern as basis of accounting, unless Management and the board of directors either intend to liquidate the Company or to cease its operations, or has no realistic alternatives, but to do so.

The Board of Directors is responsible for overseeing the Company`s financial reporting process.

Auditor`s responsibilities for the audit of the consolidated financial statements.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company`s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management.
- Conclude on the appropriateness of the Company's 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor`s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors` report. However, future events or conditions may cause the Company o cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements.

  We are not responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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 the Board of Directors 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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the year ended 31 December 2022 and are therefore the key audit matters. We describe these matters in our auditor`s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so, would reasonably be expected to outweigh the public interest benefits of such communication.

Material uncertainty related to going concern

We draw attention to Note 1C of the consolidated financial statements, regarding the Company`s financial position and results of operations and to the fact that the Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

Since inception, the Company has incurred continuous losses from its business operations and has generated negative cash flows from operating activities. The Company has so far financed its operations mainly through equity resulting from capital raising. During the three years ended December 31, 2022, 2021 and 2020 the Company incurred negative cash follows of CAD 467 thousand, CAD 1,335 thousand and CAD 197 thousand from operation activities, respectively; and as of December 31, 2022, and 2021, the Company had a cash balance of CAD 995 thousand and CAD 1,490 thousand, respectively.

As of December 31, 2022, the Company accumulated deficit of CAD 4,065 thousand and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity.

Hence the continuation of the Company's operations depends on generating a positive cash flow from operation activities and raising the required financing resources, which are not guaranteed at this point.

These factors raise significant doubts regarding the Company's ability to continue as a going concern.

The Company's Board of Director and Management concluded that the Company have sufficient resources for the continuation of its activities and to meet its obligation in the foreseeable future.

The consolidated financial statements do not include adjustments regarding the values of the assets and liabilities and their classification that may be necessary should the Company is not able to continue operating as a going concern.

Crowe (Israel)

Crowe (Israel)

May 24, 2023

STICKIT LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CAD in thousands

	Note	As of December 31, 2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	995	1,490
Other accounts receivable	5	73	22
Inventories – finished goods		45	-
Total current assets		**1,113**	**1,512**
Non-current assets			
Right for use of leased assets		4	9
Fixed assets		29	33
Total non-current assets		**33**	**42**
Total assets		**1,146**	**1,554**
Liabilities and shareholders' equity			
Current liabilities			
Excess of losses over investment in associate joint venture company	7	85	-
Trade accounts payable		66	97
Other accounts payable	8	55	41
Current maturities for use of leased assets	6	-	12
Total current liabilities		206	**150**
Total liabilities		206	**150**
Shareholders' Equity	9		
Share capital		3	3
Share premium		3,101	2,945
Reserve for share-based payment transactions		1,862	1,676
Foreign currency translation adjustments		39	112
Accumulated deficit		(4,065)	(3,332)
Total equity		940	**1,404**
Total equity and liabilities		**1,146**	**1,554**

/s/ "Eli Ben-Haroosh"	/s/ "Sophya Galper-Komet"	May 24, 2023
Eli Ben Harosh Chief Executive Officer and Director	**Sophie Galper Komet** Chief Financial Officer	Date of approval of the financial statements

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

STICKIT LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CAD in thousands

	Note	For the year ended December 31, 2022	2021	2020
Revenues	16	564	7	-
Cost of revenue	10	420	203	-
Gross profit		**144**	**(196)**	**-**
Research and development expenses	11	253	240	149
General and administrative expenses	12	591	2,683	46
Other expenses (income)		1	(1)	-
Net Operating loss		**(701)**	**(3,118)**	**(195)**
Equity in net loss of investee		186	-	-
Finance expense		4	12	-
Finance income		158	3	-
Loss		**(733)**	**(3,127)**	**(195)**
Other comprehensive loss:				
Amounts that will not be reclassified subsequently to profit or loss:				
Foreign currencies translation adjustments		(73)	(272)	3
Total other comprehensive income (loss)		(73)	(272)	3
Total comprehensive loss		**(806)**	**(3,399)**	**(192)**
Loss per share attributable to ordinary shareholders of the Company:				
Basic and diluted loss per share	14	**(0.85)**	**(4.09)**	**(0.29)**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CAD in thousands

	Share Capital	Share premium	Share-based payments transactions	Foreign currencies translation adjustments	Accumulated deficit	Total
Balance as of January 1, 2020	**2**	**136**		**(2)**	**(10)**	**125**
Issuance of shares	(*)	579	-	-	-	579
Loss for the period	-	-	-	-	(195)	(195)
Other comprehensive income	-	-	-	3	-	3
Balance as of December 31, 2020	**2**	**715**		**1**	**(205)**	**512**
Issuance of shares	1	1,731				1,733
Exercise of stock options	(*)	499	-	-	-	499
Share-based payments	-	-	1,676	-	-	1,676
Loss for the year	-	-	-	-	(3,127)	(3,127)
Other comprehensive loss	-	-	-	111	-	111
Balance as of December 31, 2021	**3**	**2,945**	**1,676**	**112**	**(3,332)**	**1,404**
Exercise of stock options	(*)	156		-	-	156
Share-based payments	-	-	186	-	-	186
Loss for the year	-	-	-	-	(733)	(733)
Other comprehensive loss	-	-	-	(73)	-	(73)
Balance as of December 31, 2022	**3**	**3,101**	**1,862**	**39**	**(4,065)**	**940**

(*) Represent amount less than CAD 1

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
CAD in thousands

	For the year ended December 31,		
	2022	**2021**	**2020**
Cash flows from operating activities			
Loss	**(733)**	**(3,127)**	**(195)**
Adjustments required for presenting Cash flows and cash equivalents from operating activities (Appendix A):	266	1,792	(2)
Net cash used to operating activities	**(467)**	**(1,335)**	**(197)**
Cash flows from investing activities			
Investment in associate joint venture company	(101)	-	-
Purchase of fixed assets	(5)	(31)	(4)
Net cash used in investing activities	**(106)**	**(31)**	**(4)**
Cash flows from financing activities			
Shares issuance and premium on shares	156	2,232	579
Repayment of loans	-	(2)	-
Net cash provided by financing activities	**156**	**2,230**	**579**
Net increase/(decrease) in cash and cash equivalents	**(417)**	**864**	**378**
Exchange rate differences on balances of cash and cash equivalents	(78)	117	3
Cash and cash equivalents at the beginning of year	**1,490**	**509**	**128**
Cash and cash equivalents at the end of year	**995**	**1,490**	**509**

Appendix A - Adjustments required for presenting cash flows and cash equivalents from operating activities:

	For the year ended December 31,		
	2022	**2021**	**2020**
Significant non-cash transactions:			
Depreciation	11	9	-
Share-based payments	186	1,676	-
Equity in net loss of associated joint venture company	186	-	-
Changes in operating assets and liabilities:			
Increase in accounts payable	4	15	22
decrease in inventories	(45)	-	-
Decrease (increase) in other accounts receivable	(52)	9	(30)
Increase (decrease) in trade accounts payable	(24)	83	6
	266	**1,792**	**(2)**
SUPPLEMENTARY INFORMATION ON NON-CASH INVESTING AND FINANCING ACTIVITIES			
Lease commitment during the year	-	50	-

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

Note 1 - General

A. General description of the Company and its operations

STICKIT LIMITED an Israeli corporation ID 516091360 (hereafter: "**the Company**") incorporated on 2019 as a private company limited by shares, in Israel, and commenced its business operations in October, 2019. The registered office of the Company is Dalton Industry park , Israel.

The Company has a wholly owned subsidiary in the Spain Stickit Labs SL. which was incorporated in Spain.

On January 2022 the Company entered into a joint venture agreement with Hempacco CO. whereby, the Company invested CAD 101 thousand (out of the agreed investment commitment of USD 250 thousands) in Stick-It USA, Inc. (hereafter: "**the US Company**") for the issuance of 50% of the outstanding and issued share capital of the US Company at the closing date of the investment. see Note 7.

The Company developed, market and sale high-quality "Cannabis Sticks" base on a registered PCT patent no. 11582996 B2, for which the patent application was assigned to the Company for CAD 0.001 on 1 2021 by Mr. Asher Holzer, President of the Company; designed to be inserted into any cigarette/joint of any kind. The cannabis stick is reminiscent of a toothpick, which allows it to be easily inserted into any cigarette. The stick consists of a source extract of cannabis ingredients (the "green plant") - and not oil-derived - it burns as fast as a cigarette and saves the cumbersome need of rolling and allows the user to consume more percent of active ingredients than any other product.

B. Definitions:

In these financial statements:
Related parties - as defined in IAS 24
CAD - Canadian dollar

C. Financial position:

Since inception, the Company has incurred continuous losses from its business operations and has generated negative cash flows from operating activities. The Company has so far financed its operations mainly through equity resulting from capital raising. During the three years ended December 31, 2022, 2021 and 2020 the Company incurred negative cash follows of CAD 467, CAD 1,335 and CAD 197 from operation activities, respectively; and as of December 31, 2022, and 2021, the Company had a cash balance of CAD 995 and CAD 1,490, respectively.

As of December 31, 2022, the Company accumulated deficit of CAD 4,065 and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity. Hence the continuation of the Company's operations depends on raising the required financing resources or reaching profitability, which are not guaranteed at this point. The Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

Note 1 – General (Cont.)

C. Financial position: (Cont.)

As part of their ongoing responsibilities, the Company's Board of Directors and Management have undertaken a thorough review of the Company’s cash flow forecast and potential liquidity risks. Forecasts of operating results and cash flow projections were prepared for the period of 12 months from the date of approval of the financial statements. According to such projections, the Company's Board of Directors and Management believe that the Company have sufficient resources for the continuation of its activities and to meet its obligations for at least 12 months from the date of approval of the financial statements, and that it is appropriate to prepare financial statements on the going concern basis.

Note 2 - Significant Accounting Policies

A. Basis of preparation

<u>Authorized consolidated financial statements</u>

The consolidated financial statements were authorized for issuance by the Company’s Board of Directors on May 8, 2023.

<u>First time adoption of International Financial Reporting Standards ("IFRS")</u>

These consolidated financial statements have been prepared at first time in accordance with IFRS. Accordingly, the Company has prepared financial statements that comply with IFRS as of December 31, 2022 and for the year than ended, together with the comparative date as of December 31, 2021 and the year than ended. In preparing the financial statements, the Company's opening statement of financial position was prepared as at January 1, 2021, the Company's date of transition to IFRS.

For local reporting purposes the Company’s financial statements for the years up to and including 2021, were prepared on a standalone basis under Israeli Generally Accepted Accounting Principles ("Local GAAP").

For Local reporting purposes it was assume by the Company that the NIS apply for functional an reporting currencies.

Except for consolidation, measurements of stock-based payments and right to use leased assets and related liability under lease arrangements, the Company did not identified material measurements differences between Local GAAP and IFRS.

<u>Consistent accounting policy</u>

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by company except when otherwise indicated.

<u>Historical cost basis</u>

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Note 2 - Significant Accounting Policies (Cont.)

A. Basis of preparation (Cont.)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2.

Reporting currency

The financial statements of the Company are presented in CAD", which is the Company's reporting currency, and all values are rounded to the nearest thousands, except when otherwise indicated.

B. Operating cycle

The operating cycle of the Company is one year. Thus, current assets and current liabilities include items the realization of which is intended and anticipated to take place within one year.

C. Consolidated financial statements

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control.

The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and its subsidiaries are prepared on the same dates and periods.

The accounting policies applied in the financial statements of the subsidiaries are uniform and consistent with the policies applied in the financial statements of the Company.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies.

Significant intercompany balances and transactions and gains or losses resulting from intercompany transactions are f eliminated in the consolidated financial statements.

CAD in thousands

Note 2 - Significant Accounting Policies (Cont.)

D. Investment in Associate joint venture company

Associates join venture company in which the Company has significant influence over the financial and operating policies without having control, are accounted for based on the equity method.

Under the equity method, the investment in the associate joint venture company is presented at cost with the addition of post-acquisition changes in the Company's share in net assets, including other comprehensive income of the associate or the joint venture. Gains and losses resulting from transactions between the Company and the associate joint venture are eliminated to the extent of the interest in the associate joint venture.

Goodwill relating to the acquisition of the associate joint venture company is presented as part of the investment in the associate join venture company, measured at cost and not systematically amortized. Goodwill is evaluated for impairment as part of the investment in the associate or in the joint venture as a whole.

The financial statements of the Company and of the associate joint venture are prepared as of the same dates and periods. The accounting policies applied in the financial statements of the associate or the joint venture are uniform and consistent with the policies applied in the financial statements of the Company.

Upon the acquisition of the associate joint venture achieved in stages when the former investment in the acquiree was accounted for pursuant to the provisions of IFRS 9, the Company applies the principles of IFRS 3 regarding business combinations achieved in stages. Consequently, equity interests in the acquiree that had been held by the Group prior to achieving significant influence or joint control are measured at fair value on the acquisition date and are included in the acquisition consideration while recognizing a gain or loss resulting from the fair value measurement.

Losses of an associate in amount exceeding its equity are recognized by the Company to the extent of its investment in the associate plus any losses that the Company may incur as a result of a guarantee or other financial support provided in respect of the associate. For this purpose, the investment includes long-term receivables (such as loans granted) for which settlement is neither planned nor likely to occur in the foreseeable future.

The equity method is applied until the loss of significant influence in the associate or loss of joint control in the joint venture or classification as investment held for sale.

The Company continues to apply the equity method even in cases where the investment in the associate becomes an investment in a joint venture and vice versa. The Company applies the provisions of IFRS 5 to the investment or a portion of the investment in the associate or the joint venture that is classified as held-for-sale. Any retained interest in this investment which is not classified as held-for-sale continues to be accounted for using the equity method.

On the date of loss of significant influence or joint control, the Company measures any remaining investment in the associate or the joint venture at fair value and recognizes in profit or loss the difference between the fair value of any remaining investment plus any proceeds from the sale of the investment in the associate or the joint venture and the carrying amount of the investment on that date.

CAD in thousands

Note 2 - Significant Accounting Policies (Cont.)

E. Foreign currency transactions

Functional currencies

The New Israel Shekel (“NIS”) USA Dollar and the Euro are the currencies of the primary economic environment in which the operations of the Company, the Spanish subsidiary and the USA investee company are conducted, respectively (hereafter: “Functional Currencies”).
the consolidated financial statements are presented in CAD (hereafter: “Presentation Currency”).
the translation from Functional Currencies to Presentation Currency performed as follow: (1) all assets and liabilities were translated using the closing exchange rate as of the balance sheet date; (2) equity items were translated using historical exchange rates; (3) items of comprehensive income/loss, unless this is not practicable to assess the cumulative effect of the rates prevailing on the transaction dates; were translated at the average exchange of each reported yea ; and (4) the resulting translation differences have been reported as foreign currencies translation adjustments within other comprehensive income/loss.

Transactions, assets and liabilities in foreign currency

Transactions denominated in foreign currencies are initially recognized functional currency at the exchange rate at the date of the transaction. Following the initial recognition, monetary assets and liabilities denominated in foreign currency are remeasured to the functional currency at the exchange rate of each reporting date.. Exchange rate differences are recognized in profit or loss.
Non-monetary assets and liabilities denominated in foreign currency and measured at cost are measured at the exchange rate at the date of the transaction.
Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are measured into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

Details of the representative exchange rates of the CAD and changes during the reported years:

	Exchange rate CAD /NIS	Exchange rate CAD /Euro
December 31, 2022	2.597	0.692
December 31, 2021	2.442	0.695
Changes during the year ended December 31, 2022	6.3%	(0.5%)
Changes during the year ended December 31, 2021	(3.2%)	8.5%

CAD in thousands

Note 2 - Significant Accounting Policies (Cont.)

F. Fair value measurement

Fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 – inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data.(

G. Cash and cash equivalents

Cash and cash equivalents include cash balances available for immediate use and call deposits. Cash equivalents are considered as highly liquid investments, including unrestricted highly liquid investments and short-term bank deposits with an original maturity of three months or less from the date of acquisition or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Company's cash management. Short-term highly liquid investments (with original maturities of three months or less) consist of readily convertible into known amounts of cash and are exposed to insignificant risks of change in value.

H. Impairment of non-financial assets

The Company evaluates the need to record an impairment of the carrying amount of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

Note 2 - Significant Accounting Policies (Cont.)

H. Impairment of non-financial assets (Cont.)

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years, and its recoverable amount.

The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

The impairment test is performed annually, on 31 December, or more frequently if events or changes in circumstances indicate that there is an impairment.

The following criteria are applied in assessing impairment of specific assets:

As of December 31, 2022 and 2021, the Company did not recognized, impairment loss from non-financial assets, to statement of operations.

I. Property and equipment

(1) Recognition and measurement

Property and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, and other costs directly attributable to bringing the assets to a working condition for their intended use.

Expenditures for maintenance and repairs are charged to expense as incurred, while renewals and betterments of a permanent nature are capitalized.

Subsequent costs for replacing part of a property and equipment and other subsequent expenses are capitalized if it is probable that the future economic benefits associated with them will flow to the Company and their cost can be measured reliably.

(2) Depreciation

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	Number of years
Computer and electronic equipment	3.33-6.67
Office furniture and equipment	6.67

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

An asset is derecognized on disposal or when no further economic benefits are expected from its use.

Note 2 - Significant Accounting Policies (Cont.)

J. Share based payments transactions

Share-based payment transactions of the Company equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 15.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

K. Earnings (Loss) per share

Earnings per share are calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of Ordinary Shares outstanding during the period. The Company's share of earnings of investees is included based on the earnings per share of the investees multiplied by the number of shares held by the Company.

If the number of Ordinary Shares outstanding increases as a result of a capitalization, bonus issue, or share split, the calculation of earnings per share for all periods presented are adjusted retrospectively.

Potential Ordinary shares are included in the computation of diluted earnings per share when their conversion decreases earnings per share from continuing operations. Potential Ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share.

L. Revenue recognition

Revenue from contracts with customers is recognized when the control over the goods or services is transferred to the customer generally upon delivery of the goods to the customer. The transaction price is the amount of the consideration that is expected to be collected based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

Note 2 - Significant Accounting Policies (Cont.)

M. Inventory

Inventories is valued at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and direct costs incurred in bringing the inventories to their present location and condition.
Products being processed and finished products are valued based on average cost that includes materials, work and other direct and indirect expenses.
Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.
The Company periodically evaluates the condition and age of inventories and accordingly recognize an adequate valuation allowance for slow moving of dead inventories.

During 2022 and 2021, the financial statements do not include a valuation allowance that was recognized in respect of slaw moving inventory.

N. Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Expenditures relating to internally generated intangible assets, excluding capitalized development costs, are recognized in profit or loss when incurred.
Intangible assets with a finite useful life are amortized over their useful life on a straight-line basis and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.
Intangible assets with indefinite useful lives are not systematically amortized and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortized systematically over its useful life.

Research and development expenditures

Research expenditures are recognized in profit or loss when incurred. Costs incurred in an internal development project are recognized as an intangible asset only if the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Company's intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the ability to measure reliably the expenditures attributable to the intangible asset during its development These asset is measured at cost less any accumulated amortization and any accumulated impairment losses. Amortization of the asset begins when development is completed, and the asset is available for use.

The asset is amortized over its useful life. Testing of impairment is performed annually over the period of the development.

Note 2 - Significant Accounting Policies (Cont.)

N. Intangible assets (Cont.)

The asset is measured at cost less any accumulated amortization and any accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. The asset is amortized over its useful life. Testing of impairment is performed annually over the period of the development project. When an internally developed intangible asset cannot be recognized, the development costs are recognized as an expense in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. For all the reporting periods, the above criteria have not been met and therefore all development costs have been recognized as an expense in profit or loss.

O. Financial instruments

(1) Financial assets

Financial assets are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.
The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and
- The contractual cash flow terms of the financial asset.

Debt instruments are measured at amortized cost when:

The Company's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortized cost using the effective interest rate method, less any provision for impairment.

(2) Impairment of financial assets

The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments which are not measured at fair value through profit or loss. The Company distinguishes between two types of loss allowances:

a) Debt instruments whose credit risk has not increased significantly since initial recognition, or whose credit risk is low - the loss allowance recognized in respect of this debt instrument is measured at an amount equal to the expected credit losses within 12 months from the reporting date (12-month ECLs); or

b) Debt instruments whose credit risk has increased significantly since initial recognition, and whose credit risk is not low - the loss allowance recognized is measured at an amount equal to the expected credit losses over the instrument's remaining term (lifetime ECLs).

Note 2 - Significant Accounting Policies (Cont.)

O. Financial instruments (Cont.)

An impairment loss on debt instruments measured at amortized cost is recognized in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

The Company has short-term financial assets such as trade receivables in respect of which the Company applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses.

Derecognition of financial assets:

A financial asset is derecognized only when:

- The contractual rights to the cash flows from the financial asset has expired; or
- The Company has transferred substantially all the risks and rewards deriving from the contractual rights to receive cash flows from the financial asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- The Company has retained its contractual rights to receive cash flows from the financial asset but has assumed a contractual obligation to pay the cash flows in full without material delay to a third party.

(3) Financial liabilities

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, the Company measures all financial liabilities at amortized cost.

(4) Derecognition of financial liabilities

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

P. Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Note 2 - Significant Accounting Policies (Cont.)

Q. Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

All of the Company's employees have subscribed to Section 14 of Israel's Severance Pay Law, 5723-1963 ("Section 14"). Pursuant to Section 14, the Company's employees, covered by this section, are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made on their behalf by the Company.

Payments in accordance with Section 14 release the Company from any future severance liabilities in respect of those employees. Neither severance pay liabilities nor severance pay funds under Article 14 for such employees are recorded in the Company's balance sheet. For the years, 2022 and 2021, the Company recognize CAD 40 thousands and CAD 26 thousands respectively related to defined contribution retirement benefit plans.

R. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

S. Taxes

Income tax expenses or credits on taxable income, is computed based on unconsolidated reslts of the Company and its subsidiaries, based on the applicable income tax rates for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Note 2 - Significant Accounting Policies (Cont.)

S. Taxes (Cont.)

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Unrecognized deferred tax assets are reassessed by Management at each reporting date and are recognized to the extent that is probable that future taxable profits will allow the deferred income tax asset to be recovered.

As of December 31, 2022, Management believed that the deferred tax assets is not likely to be realizable in the foreseeable future and therefore has provided a valuation allowance against the deferred tax asset.

T. New and revised standards and interpretations not yet adopted

IAS 1 Amendment "Presentation of Financial Statements" (Regarding the Classification of Liabilities as Current or Non-Current)

The amendment clarifies the existing requirements for classifying liabilities as current or non-current in the statement of financial position as follows:

- Clarification has been added to sections 69 and 73 of the standard, which emphasizes that in order for a liability to be classified as non-current, the right to defer settlement must exist at the end of the reporting period.
- The words "unconditional" have been removed from section 69 of the Standard and a new paragraph has been added clarifying that if the right to defer settlement is conditional on compliance with financial

criteria, the right exists if the entity meets the criteria set at the end of the reporting period.

- It was clarified that the examination of the classification of the liability as non-current will be carried out with regard to the right that the entity has and not in accordance with its expectations of whether this right will be exercised.

Note 2 - Significant Accounting Policies (Cont.)

T. New and revised standards and interpretations not yet adopted (Cont.)

A definition has been added to the term "disposal". According to the definition, "for the purpose of classifying an obligation as current or non-current, settlement refers to a transfer to the opposite party, the result of which is the extinguishment of the obligation." Transfer can be cash, goods and services or equity instruments of the entity itself. In this context, it was clarified that if under the terms of the liability, the other party has an option to demand liquidation of the entity's equity instruments, this condition does not affect the classification of the liability as current or non-current, if the option is classified as a separate equity component in accordance with IAS 32.

The amendment will be applied retrospectively for annual reporting periods beginning on or after January 1, 2023. Early adoption is possible. The Company estimates that the adoption of the Standard for the first time will not be material to its financial statements.

Amendments to International Accounting Standard 1 "Presentation of Financial Statements" - Disclosure of Accounting Policies (hereinafter: "IAS 1")

The amendments to IAS 1 issued in February 2021 require entities to disclose material accounting policies instead of significant accounting policies. In addition, guidelines and examples were added to explain and demonstrate the materiality determination process by amending the IFRS Practice Statement 2, considerations in determining materiality.

The following is an overview of the main corrections:

(1) The entity is required to disclose information about material accounting policies instead of significant accounting policies.

(2) Information about accounting policies is material if, together with other information contained in the financial statements it can be reasonably expected that it will influence the decisions that the major users of the financial statements make on the basis of those financial statements.

(3) Information about accounting policies related to transactions, events or other situations that are not material, is not material and does not need to be disclosed. Accounting policy information may nevertheless be material due to the nature of the transactions, events or other related situations, even if the amounts are not material. Nevertheless, not all accounting policy information related to transactions, events or other material matters is material in itself.

(4) Accounting policy information is material if an entity's financial statements users will need to understand other material information in the financial statements and examples of such situations have been added.

(5) Accounting policy information that focuses on the manner in which international financial reporting standards are applied to the specific circumstances of the entity is more relevant to the users of the financial statements than standard information, or information copied or summarized in the requirements of the standards.

(6) If an entity discloses a material accounting policy, it shall be ascertained that such information does not obscure material accounting policy information.

(7) When an entity concludes that accounting policy information is not material, it does not affect related disclosures set forth in other standards.

(8) The amendments to IAS 1 will be implemented by way of hereafter from the annual period beginning on January 1, 2023.
The application of amendments to IAS 1 is expected to have some effect, the disclosure of which will be given in the financial statements regarding the accounting policies.

Note 3 - Significant Accounting Judgments, and key sources of estimation uncertainty used in the preparation of the Financial Statements

In applying the Company's accounting policies, which are described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

Changes in accounting estimates are reported in the period of the change in estimate.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and subsequent periods.

a) Accounting judgments

Development costs

The Company has determined that in all the reporting periods, the criteria for recognizing development project costs as intangible assets have not been met and therefore, all of the development costs have been expensed as incurred, see Note 11.

Classification of Interest paid / received in the statement of cash flows

The Company classifies cash flows in respect of interest received by it as cash flows from investing activities, as well as cash flows in respect of interest paid as cash flows used in financing activities.

b) Estimates and assumptions

The main key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Fair value of share-based payments

The fair value of share-based payments is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price and assumptions regarding expected volatility, expected life of share option and expected dividend yield, see Note 15.

Impairment on non-financial assets and useful life of property and equipment

The useful economic life of the Company's assets is determined by management at the time the asset is acquired and regularly reviewed for appropriateness. The Company defines useful life of its assets in terms of the assets' expected utility to the Company. This judgment is based on the experience of the Company with similar assets. The useful economic life of licenses is based on the duration of the license agreement period. The useful economic life of capitalized customer acquisition costs is based on the expected service period from these contracts.

Note 3 - Significant Accounting Judgments, and key sources of estimation uncertainty used in the preparation of the Financial Statements (Cont.)

The Company regularly reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

Concentration of credit risks and allowance of doubtful of collection account receivables

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. Management believes that the financial institutions that hold Company's cash and cash equivalents are financially sound, and, accordingly, minimal credit risk exists with respect to these financial instruments.

Management believes that credit risks relating to accounts receivable are minimal since the majority of the Company's customers are financially sound. The Company performs ongoing credit evaluation of its customers' financial condition.

Allowance for doubtful off collection account receivables is calculated on a case by case basis by management assessment, for the loss involved in the debts whose collection is doubtful. In the determination of the adequacy of the provisions, management relies, inter alia, on the risk assessment based on the information in is possession regarding the financial position of the debtors, the scope of their activities, and the assessment of the securities received from them.

Doubtful debts, which management is of the opinion that will not be fully or partially collected, are removed from the Company’s accounts based on the decision taken by Board of Directors of the Company, or if they exceed a certain sum, and the management’s recommendation to remove them is presented for approval of the.

Uncollectible account receivables are written off based upon management decision.

As of December 31, 2022, and 2021, the Company did not recognized allowance for debts doubtful of collection**.**

Legal claims and other clam

In estimating the likelihood of outcome of legal and other claims filed against the Company and its investees, the Company takes into consideration the opinion of its legal counsels and their best professional judgment, the stage of proceedings and historical legal precedents in respect of the different issues. The outcome results could differ from these estimates.

Determining discounting rate for lease arrangement

In order to determine the lease term, the Company takes into consideration the period over which the lease is non-cancellable, including renewal options that it is reasonably certain it will exercise and/or termination options that it is reasonably certain it will not exercise. In addition, The Company discounts the lease payments using its incremental borrowing rate. The Possible effect of this estimate is an increase or decrease in the right-of-use asset and lease liability and in depreciation and financing expenses in subsequent periods.

CAD in thousands

Note 4 - Cash and cash equivalents

	December 31,	
	2022	**2021**
Consist of:		
Cash in banks	723	1,490
Bank deposit	272	-
Total	**995**	**1,490**

Note 5 - Other accounts receivables

	December 31,	
	2022	**2021**
Consist of:		
Government departments	31	21
Related parties	-	1
Prepaid expenses	30	-
Other	12	-
Total	**73**	**22**

Note 6 - Lease

On May 10, 2021, the Company entered to a 24 months lease agreement for premises in Israel, with the following terms:

- For each month of the first year of lease – CAD 0.7 (1,667 NIS), fully paid in the amount of CAD 8 (20,004 NIS), upon signing the lease agreement.
- For each month of the second year of lease – CAD 1 (2,500 NIS), fully paid on June 2022 in the amount of CAD 12 (30,000 NIS), upon signing the lease agreement.

Amounts recognized in profit and loss:

	As of December 31,	
	2022	**2021**
Depreciation expense on right-of-use assets	10	5
Interest expense on lease liabilities	-	1

CAD in thousands

Note 7 - Investment in associate joint venture company

(1) On January 2022 the Company entered into investment agreement with Hempacco CO. whereby, the Company invest CAD 101 thousand in Stick-It USA, Inc (out of USD 250 thousand agreed investment in share capital) and Hempacco invested USD 200 thousands; for the issuance of 50% of the outstanding and issued share capital for each of the joint parties. According to the investment agreement the Company and Hempacco have joint control over the Stick-it USA.

(2) The Company committed to provide Stick-it USA a license to the Company IP and license to distribute CBD Sticks within USA and Mexico.

(3) The Company and Stick-it US will enter into manufacturing and supply agreement, whereby Stick-it USA will USD 250 thousands for service rendered by the company, necessary equipment for manufacturing of CBD Sticks, training, and material for producing 30,000 Stickit products.

As of the date of the financial position the Company has fulfill all the above commitment to Stick-it USA and recognize revenue relate to the payment of proceed by Stick-it USA.

(4) As of the date of the statement of financial position Stick-it USA has not yet commence business activities, in the USA and Mexico.

(5) Pursuant to the investment agreement, upon the execution date of the investment agreement, Green Globe International, Inc. (hereafter: "GGII") the parent company of Hempacco Co.Incs.. issued to each of Mr. Asher Holzer, President of the Company and Mr. Eli Ben Haroosh, CEO of the Company the following executed warrants: (i) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable on their issuance date; (ii)) 12,500,000 5- year warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $5,000,000 or above in total and for 5 years thereafter; and (iii) 25,000,000 5-years warrants of GGII common shares, at an exercise price of $0.01 per share. 100% of such warrants will be exercisable upon the company achieves gross revenues of $10,000,000 or above in total and for 5 years thereafter. At warrant granting date, the exercise price of the warrants was out of the money, in relation to the stock price of GGII, and meeting the exercise conditions by GGII was considered remote.

(6) Accordingly, the Company estimated the warrants fair value as immaterial amounts for recognition of stock-based compensation.

(7) Changes in Investment in associate joint venture company:

	2022
Balance at the beginning of the year	-
Investment	101
Equity in net loss	(186)

CAD in thousands

Balance at the end of the year	**85**

Note 8 - Other accounts payable

	December 31,	
	2022	2021
Consist of:		
Employees for salaries and related social benefits	46	39
Related parties	6	-
Other	3	2
Total	**55**	**41**

Note 9 - Shareholder's equity

	31.12.2022		31.12.2021	
	Authorized	Issued and paid up	Authorized	Issued and paid up
Ordinary Shares	10,000,000	877,925	10,000,000	867,924

(1) Ordinary Shares of 0.01 NIS par value provide its owners voting rights, participants in the shareholder's meetings, earnings participant rights, and retained earnings participants in case of company liquidation.

(2) During 2020, 50,092 Ordinary Shares were issued for a total consideration of CAD 579 (1,459 NIS thousand.

(3) During 2021, 131,997 Ordinary Shares were issued for a total consideration of CAD 2,231 (5,897 NIS thousand, out of which 65,835 Ordinary Shares were issued upon exercising stock options for an aggregated exercise price of CAD 499 (1,278 NIS thousand), see Note 15.

(4) During 2022, 10,001 Ordinary Shares were issued upon exercising stock options for an aggregated exercise price of CAD 256 (405 NIS thousand), see Note 15. of options.

(5) As part of the share issuances during 2020-2021, 65,441 warrants were issued to investors. The warrants determine an additional exercise of NIS 40.5 per share and are for a period of 18 months. On October 2022, the Company's Board of Directors approved extension exercise date of the warrants through July 1, 2023 or the company become public with 45 day announcement advanced to the investors

CAD in thousands

Note 10 - Cost of revenue

	For the year ended December 31,		
	2022	2021	2020
Consist of:			
Purchase of goods	60	52	-
payroll	102	2	-
Rent and maintenance	51	35	-
Depreciation	16	33	-
Import and export	76	-	
Professional services	57	54	-
Operating and other expenses	58	27	-
Total	**420**	***203**	**-**

* Start-up costs incurred at the beginning of the business operations.

Note 11 - Research and development expenses

	For the year ended December 31,		
	2022	2021	2020
Consist of:			
Professional fees	212	167	109
Marketing and advertising	13	49	28
Raw material	19	14	7
Other expense	9	10	5
Total	**253**	**240**	**149**

Note 12 - General and administrative expenses

	For the year ended December 31,		
	2022	2021	2020
Consist of:			
Payroll	249	231	-

CAD in thousands

Share-based payment expenses	186	1,637	
Marketing and advertising	11	242	-
Professional fees	44	456	45
Other expense	101	117	1
Total	**591**	**2,683**	**46**

Note 13 - Taxes on income

A. Tax rate

The Company and its subsidiary asses for tax purposes on an unconsolidated basis.
Israeli corporate tax rate applicable to the taxable income of the Company since 2020 is 23%.
The principal tax rates applicable to the subsidiary company in Spain is 25%.

B. Tax assessment

The company has not been issued a tax assessment considered to be final, since incorporation.

Losses carry forward

As of December 31, 2022, the Company has accumulated net operating losses, of CAD 3,682 which may be carried forward and offset against taxable income in the future for an indefinite period.
With respect of deferred taxes, see Note 2 S.

Note 14 – Earnings per share

Details of the number of Ordinary Shares and loss attributable to the Company's shareholders used in the computation of loss per share:

Year ended December 31,			
2022		**2021**	
Weighted number of shares	**Loss attributable to equity holders of the Company**	**Weighted number of shares**	**Loss attributable to equity holders of the Company**
	CAD		**CAD**
863,012	(733)	764,929	(3,127)

Diluted net loss per Ordinary Share, does not include the effect of exercisable of stock options granted under share-based payment plans since their exercise in non-dilutive and will potentially decrease the loss per Ordinary Share.

Note 15 - Share based payments

On January 2022, the Company's Board of Directors approved a share option plan (the "2022 ESOP") to grant certain employees and service providers of the Company options to purchase 33,790 Ordinary shares of the Company, at nominal value of 0.01 NIS par value.

Options granted under 2022 ESOP shall be expired following 1.5 years from granting date.

CAD in thousands

On June 2021, the Company's Board of Directors approved a share option plan (the "2021 ESOP") to grant certain employees and service providers of the company options to purchase 180,000 Ordinary shares of the Company at nominal value of 0.01 NIS par value.

Options granted under 2021 ESOP shall be expired following 2 years from granting date.

Following is a summary of the status of the stock options plan as of December 31, 2020 and 2021, and the changes during the years ended on these dates:

Note 15 - Share based payments (Cont.)

	Year ended December 31			
	2022		2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	153,957	4.202	-	-
Changes during the year:				
Granted	-	-	218,957	3.937
Exercised	-	-	(30,000)	0.01
Forfeited	-	-	(35,000)	2.5
Options outstanding at end of year	153,957	4.202	153,957	4.202
Options exercisable at year-end	102,804	4.202	64,662	4.202

As of June 2021, the Company granted in total 173,957 share options to its employees. The total fair value of the share options is approximately 4,430 thousand NIS.
Of the above options, 60,673 matured during 2021, 78,284 matured in equal quarterly installments starting from the 1st quarter of 2021 and 35,000 matured in equal quarterly installments over 12 quarters starting from the 2nd quarter of 2021.

Also, a total of 55,000 of these options, with a vesting period of 8 quarters equal in installments worth 1,423 thousand NIS, were granted to Eli Ben Harosh, CEO and founder of the Company.

On 16, November 2021, the Company granted in total 45,500 share options to Eli Ben Harosh, CEO and founder of the company. The total fair value of the 45,500 share options is approximately 1,167 thousand NIS. The share options granted are fully vested.

The following table specifies the inputs used for the fair value measurement of stock options granted:

	Year ended December 31	
	2022	2021
Ordinary share fair value (*)	-	25.847 NIS
Risk-free interest rate	-	0.31%-0.54%
Expected term (in years)	-	3.5164-5.0178
Dividend yield	-	-
Volatility	-	90%

CAD in thousands

On January, 2023, subsequent to the date of the financial statement Mr. Eli Ben Harosh, the CEO and the founder of the Company exercise 100,500 stock options to 100,500 Ordinary Shares of the Company.

Note 16 - Revenues

	Year ended 31 December,	
	2022	2021
Revenue from sales and services to associated joint venture company (To U.S)	370	-
Revenue from sales (To Europe)	194	7
Total	**564**	**7**

Note 17 - Balances and transactions with related parties

A. The Company's related parties consist principally, Mr. Eli Ben Haroosh, CEO of the Company, and Dr. Asher Holzer, President of the Company, see also Note 7 with respect to warrants granted under investment agreement in Stick-it USA.

B. In January 2021, Dr. Asher Holzer transferred the idea of the patent to the company in exchange for 1 USD.

C. Balances with related parties:

	December 31	
	2022	2021
Other accounts payable	(49,439)	(1,268)

D. Transactions with related parties:

	For the year ended December 31,		
	2022	2021	2020
Consist of:			
Payroll	328	220	-
Shared based compensation, see Note 15	-	100	-
	328	**320**	**-**

(1) With respect of transaction with associate joint venture company Stick-it USA, see Note 7.

(2) For transfer of patent application to the Company by Mr. Holzer, see Note 1.

Note 18 - Financial Instruments

Financial risk management objectives and policies:

The Company's principal financial liabilities are comprised of trade and other payables, and convertible loans. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk is managed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and objectives. The Board reviews and approves the policies for each of the risks summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as share price risk and commodity risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates.
The Company's exposure to foreign currency risk relates primarily to the Company's continuing operation (when revenue or expense is recognized in a different currency from the Company's functional currency) .

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations as a customer or under a financial instrument leading to a loss to the Group. The Company is exposed to credit risk from its operating activity (primarily trade receivables) and from its financing activity, including deposits with banks and other financial institutions.

Liquidity risk

The Company's exposure to liquidity risk is dependent on the Company ability to meet the factors of the business plan designed by Management, forecasts and related key assumption, and cash flow projection.
As part of their ongoing responsibilities, the Company's Board of Directors and Management are

undertaking a thorough review of the Company's cash flow forecast and potential liquidity risks. Forecasts of operating results and cash flow projections were prepared for the period of 12 months from the date of approval of the financial statements.

Note 19 - Events subsequent to the statement of position date

Proposed merger transaction

During 2023, the company intends to complete merger transaction ("the Merger") with Aquazoom Hydropower Solutions Inc ("Aquazoom"). The merger is expected to be affected by way of a three-core amalgamation. Accordance to the merger, Aquazoom will acquired all (100%) of the company ordinary shares (after conversion of all the outstanding warrants and options of the company to the company ordinary shares) and issue to the selling shareholders of Stickit an ordinary shares of Aquazoom.

Also, Aquazoom intends to submit prospectus to the British Columbia Securities Commission ("BCSC") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia. Upon the final receipt of this Prospectus by the Commissions, the Company will become a reporting issuer in British Columbia.

Concurrently with the filing of the Prospectus, Aquazoom intends to apply to list its issued and outstanding Common Shares on the Canadian Securities Exchange ("CSE"). The listing will be subject to the fulfilling all the listing requirements of the CSE.

SCHEDULE "C2"

STICKIT LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX-MONTHS PERIOD ENDED JUNE 30, 2023

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

(UNAUDITED)

CAD IN THOUSANDS

INDEX

Arieh Ovadia&Co CPA
40 Tuval St., Ramat Gan
5252247, Israel
Main +972 3 7538300
Fax +972 3 7606787
www.crowe.co.il

A Review Report of the Auditor to the shareholders of

STICKIT LIMITED

Introduction

We have reviewed the accompanying financial information of Stickit Limited and subsidiaries (hereafter- "the Company") which includes the condensed consolidated statement of financial position as of June 30, 2023, and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the period of six and the three months ended on that date. The Board of Directors and Management of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Review Standard ISA 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the six and the three month period then ended, in accordance with IAS 34.

Emphasis of matter – material uncertainty relates to going concern

We draw attention to Note 1 B to the interim consolidated financial statements, regarding the Company`s financial position and results of operations and to the fact that the Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

As of June 30, 2023, and December 31, 2022, the Company accumulated deficit of CAD 4,430 thousand CAD 4,065 thousand, respectively, and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity.

Hence the continuation of the Company's operations depends on generating a positive cash flow from operation activities and raising the required financing resources, which are not guaranteed at this point.

These factors raise significant doubts regarding the Company's ability to continue as a going concern.

The Company's Board of Director and Management concluded that the Company have sufficient resources for the continuation of its activities and to meet its obligation in the foreseeable future.

The consolidated financial statements do not include adjustments regarding the values of the assets and liabilities and their classification that may be necessary should the Company is not able to continue operating as a going concern.

Crowe (Israel)

Crowe (Israel)

September 6, 2023

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CAD in thousands

	As of June 30,		As of December 31,
	2023	2022	2022
Assets			
Current assets			
Cash and cash equivalents	695	1,088	995
Other accounts receivable	110	92	73
Inventories – finished goods	34	28	45
Total current assets	**839**	**1,208**	**1,113**
Non-current assets			
Right for use of leased assets	-	8	4
Fixed assets	25	30	29
Total non-current assets	**25**	**38**	**33**
Total assets	**864**	**1,246**	**1,146**
Liabilities and shareholders' equity			
Current liabilities			
Excess of losses over investment in associate joint venture company	78	-	85
Trade accounts payable	68	92	66
Other accounts payable	25	105	55
Total current liabilities	**171**	**197**	**206**
Total liabilities	**171**	**197**	**206**
Shareholders' Equity			
Share capital	4	3	3
Share premium	4,168	3,078	3,101
Reserve for share-based payment transactions	964	1,797	1,862
Foreign currency translation adjustments	(13)	10	39
Accumulated deficit	(4,430)	(3,839)	(4,065)
Total equity	**693**	**1,049**	**940**
Total equity and liabilities	**864**	**1,246**	**1,146**

/s/ Eli Ben-Haroosh	/s/ Sophya Galper-Komet	September 6, 2023
Eli Ben Harosh	**Sophie Galper Komet**	
Chief Executive Officer and Director	Chief Financial Officer	Date of approval of the financial statements

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

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CAD in thousands

	For the period of six months ended June 30,		For the period of three months ended June 30,		For the year ended December 31,
	2023	**2022**	**2023**	**2022**	**2022**
Revenues	130	194	3	15	564
Cost of revenue	60	294	22	105	420
Gross profit (loss)	**70**	**(100)**	**(19)**	**(90)**	**144**
Research and development expenses	74	193	5	51	253
General and administrative expenses	329	343	144	170	591
Other expenses	1	-	-	-	1
Net Operating profit (loss)	**(334)**	**(636)**	**(168)**	**(311)**	**(701)**
Share of losses of a company accounted for at equity method	1	-	-	-	186
Finance expense	30	20	29	(15)	4
Finance income	-	149	(65)	(3)	158
Loss	**(365)**	**(507)**	**(262)**	**(299)**	**(733)**
Other comprehensive loss:					
Amounts that will not be reclassified subsequently to profit or loss:					
Foreign currencies translation adjustments	(52)	(102)	(28)	(71)	(73)
Total other comprehensive loss	(52)	(102)	(28)	(71)	(73)
Total comprehensive loss	**(417)**	**(609)**	**(290)**	**(370)**	**(806)**
Loss per share attributable to ordinary shareholders of the Company:					
Basic and diluted loss per share	**(0.38)**	**(0.58)**	**(0.27)**	**(0.34)**	**(0.85)**

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

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
CAD in thousands

	Share Capital	Share premium	Share-based payments transactions	Foreign currencies translation adjustments	Accumulated deficit	Total
Balance as of January 1, 2023 (Audited)	**3**	**3,101**	**1,862**	**39**	**(4,065)**	**940**
Exercise of stock options	1	1,067	(993)	-	-	75
Share-based payments	-	-	95	-	-	95
Loss for the period	-	-	-	-	(365)	(365)
Other comprehensive income	-	-	-	(52)	-	(52)
Balance as of June 30, 2023 (Not-Audited)	**4**	**4,168**	**964**	**(13)**	**(4,430)**	**693**
Balance as of January 1, 2022 (Audited)	**3**	**2,945**	**1,676**	**112**	**(3,332)**	**1,404**
Exercise of stock options	(*)	133	-	-	-	313
Share-based payments	-	-	121	-	-	121
Loss for the period	-	-	-	-	(507)	(507)
Other comprehensive loss	-	-	-	(102)	-	(102)
Balance as of June 30, 2022 (Not-Audited)	**3**	**3,078**	**1,797**	**10**	**(3,839)**	**1,049**
Balance as of December 31, 2021	**3**	**2,945**	**1,676**	**112**	**(3,332)**	**1,404**
Exercise of stock options	(*)	156	-	-	-	156
Share-based payments	-	-	186	-	-	186
Loss for the year	-	-	-	-	(733)	(733)
Other comprehensive loss	-	-	-	(73)	-	(73)
Balance as of December 31, 2022	**3**	**3,101**	**1,862**	**39**	**(4,065)**	**940**
Balance as of March 31, 2023	**4**	**4,168**	**964**	**15**	**(4,168)**	**983**
Exercise of stock options	(*)	-	-	-	-	-
Share-based payments	-	-	*	-	-	-
Loss for the period	-	-	-	-	(262)	(262)
Other comprehensive loss	-	-	-	(28)	-	(28)
Balance as of June 30, 2023	**4**	**4,168**	**964**	**(13)**	**(4,430)**	**693**
Balance as of March 31, 2022	**3**	**3,078**	**1,752**	**81**	**(3,540)**	**1,374**
Exercise of stock options	(*)	-	-	-	-	-
Share-based payments	-	-	45	-	-	45
Loss for the period	-	-	-	-	(299)	(299)
Other comprehensive loss	-	-	-	(71)	-	(71)
Balance as of June 30, 2022	**3**	**3,078**	**1,797**	**10**	**(3,839)**	**1,049**

(*) Represent amount less than CAD 1.

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

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

CAD in thousands

	For the period of six months ended June 30,		For the period of three months ended June 30,		For the year ended December 31,
	2023	**2022**	**2023**	**2022**	**2022**
Cash flows from operating activities					
Loss	(365)	(507)	(261)	(299)	(733)
Adjustments required for presenting cash flows from operating activities (Appendix A):	49	106	59	90	266
Net cash used in operating activities	**(316)**	**(401)**	**(202)**	**(209)**	**(467)**
Cash flows from investing activities					
Purchase of fixed assets	(1)	-	-	-	(5)
Investment in associate joint venture company	-	-	-	-	(101)
Net cash used in investing activities	**(1)**	-	-	-	**(106)**
Cash flows from financing activities					
Shares issuance and premium on shares	75	133	-	-	156
Net cash provided by financing activities	**75**	**133**	-	-	**156**
Net decrease in cash and cash equivalents	**(242)**	**(268)**	**(202)**	**(209)**	**(417)**
Exchange rate differences on balances of cash and cash equivalents	(58)	(134)	(32)	(80)	(78)
Cash and cash equivalents at the beginning of period/year	**995**	**1,490**	**929**	**1,377**	**1,490**
Cash and cash equivalents at the end of period/year	**695**	**1,088**	**695**	**1,088**	**995**

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

STICKIT LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
CAD in thousands

Appendix A - Adjustments required for presenting cash flows from operating activities:

	For the period of six months ended June 30,		For the period of three months ended June 30,		For the year ended December 31,
	2023	**2022**			**2022**
Significant non-cash transactions:					
Depreciation	8	(2)	5	2	11
Share-based payments	95	121	1	45	186
Equity in net loss of associated joint venture company	1	-	-	-	186
Changes in operating assets and liabilities:					
Increase in accounts receivable	-	3	3	37	-
Increase in accounts payable	(25)	80	4	13	4
decrease in inventories	7	(28)	74	64	(45)
Increase in other accounts receivable	(43)	(74)	(13)	(30)	(52)
Increase (decrease) in trade accounts payable	6	6	(15)	(41)	(24)
	(49)	**106**	**59**	**90**	**266**

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

STICKIT LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENTS
CAD in thousands

Note 1 - General

A. General description of the Company and its operations

STICKIT LIMITED an Israeli corporation ID 516091360 (hereafter: "**the Company**”) incorporated on 2019 as a private company limited by shares, in Israel, and commenced its business operations in October 2019. The registered office of the Company is Dalton Industry Park, Israel. The Company has a wholly owned subsidiary in the Spain Stickit Labs SL. which was incorporated in Spain.

On January 2022 the Company entered into a joint venture agreement with Hempacco CO. whereby, the Company invested CAD 101 thousand (out of the agreed investment commitment of USD 250 thousand) in Stick-It USA, Inc. (hereafter: "**the US Company**”) for the issuance of 50% of the outstanding and issued share capital of the US Company at the closing date of the investment, see Note 7 in the annual consolidated financial statements.

The Company developed, market and sale high-quality "Cannabis Sticks" base on a registered PCT patent no. 11582996 B2, for which the patent application was assigned to the Company for CAD 0.001 on 1 2021 by Mr. Asher Holzer, President of the Company; designed to be inserted into any cigarette/joint of any kind. The cannabis stick is reminiscent of a toothpick, which allows it to be easily inserted into any cigarette. The stick consists of a source extract of cannabis ingredients (the "green plant") - and not oil-derived - it burns as fast as a cigarette and saves the cumbersome need of rolling and allows the user to consume more percent of active ingredients than any other product.

B. Financial position:

Since inception, the Company has incurred continuous losses from its business operations and has generated negative cash flows from operating activities. The Company has so far financed its operations mainly through equity resulting from capital raising.

As of June 30, 2023, and December 31, 2022, the Company accumulated deficit of CAD 4,430 thousand CAD 4,065 thousand, respectively, and it is expected to further generate losses from operations during 2023 which will be expressed in negative cash flows from operating activity. Hence the continuation of the Company's operations depends on raising the required financing resources or reaching profitability, which are not guaranteed at this point. The Company`s ability to continue as a going concern, is dependent on the Company meeting the factors of the business plan designed by Management, forecasts and related key assumption, potential liquidity risks and cash flow projection.

As part of their ongoing responsibilities, the Company's Board of Directors and Management have undertaken a thorough review of the Company’s cash flow forecast and potential liquidity risks. Forecasts of operating results and cash flow projections were prepared for the period of 12 months from the date of approval of the financial statements. According to such projections, the Company's Board of Directors and Management believe that the Company have sufficient resources for the continuation of its activities and to meet its obligations for at least 12 months from the date of approval of the financial statements, and that it is appropriate to prepare financial statements on the going concern basis.The Interim Financial Statements do not include adjustments regarding the values of the assets and liabilities and their classification that may be necessary should the Company is not able to continue operating as a going concern.

STICKIT LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENTS
CAD in thousands

Note 2 - Significant Accounting Policies

Basis of presentation of the interim consolidated financial statements:

These interim consolidated financial statements as of June 30, 2023, and for the six and the three months then ended on June 30, 2023, were prepared in a condensed format in accordance with IAS 34, "Interim Financial Reporting" (hereafter: "Interim Consolidated Financial Statements").
Therefore, the Interim Consolidated Financial Statements do not include all the disclosure necessary for a complete presentation of financial condition, results of operations, cash flows and all the data and notes, which are required when preparing annual financial statements, in conformity with IFRS.

The Interim Consolidated Financial Statements have been approved by the Directors of the Company on September 6, 2023; and are the responsibility of directors of the Company, who are responsible for preparing the Interim Financial Information in accordance with IFRS.

The Interim Consolidated Financial statements should be read in conjunction with the Company's annual audited financial statements as of December 31, 2022, and for the year then ended and accompanying notes (hereinafter: "Annual Audited Consolidated Financial Statements").

Accounting principles used in the preparation of the Interim Consolidated Financial Statements are consistent with those principles used in the preparation of the latest Annual Audited Consolidated Financial Statements of the Company.

All significant accounting policies have been applied consistently with the Annual Audited Consolidated Financial Statements.

STICKIT LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENTS
CAD in thousands

Note 3 – Significant Events Dring the Reporting Period

A. On January 2023, 6,365 options were issued to service providers that were fully vested upon issuance for a total consideration of CAD 88 thousand.

B. On January 2023, Mr. Eli Ben Harosh, the CEO and a founder of the Company exercise 100,500 stock options to 100,500 Ordinary Shares of the Company for their nominal payment.

C. On January 30, 2023, the Company entered into a joint venture agreement with two individuals for the purpose of forming a private company for Extra-C sticks manufacturing at the industrial facilities of those individuals in Bangkok, Thailand.

D. Proposed merger transaction

During 2023, the Company intends to complete merger transaction ("the Merger") with Aquazoom Hydropower Solutions Inc ("Aquazoom"). The merger is expected to be affected by way of a three-core amalgamation. Accordance to the merger, Aquazoom will acquired all (100%) of the Company's ordinary shares (after conversion of all the outstanding warrants and options of the Company to the Company ordinary shares) and issue to the selling shareholders of Stickit an ordinary shares of Aquazoom.

Aquazoom intends to submit a prospectus to the British Columbia Securities Commission ("BCSC") and the Alberta Securities Commission ("ASC", BCSC and ASC collectively the "Commissions") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia and Alberta. Upon the final receipt of this Prospectus by the Commissions, the Company will become a reporting issuer in British Columbia and Alberta.

Concurrently with the filing of the Prospectus, Aquazoom intends to apply to list its issued and outstanding Common Shares on the Canadian Securities Exchange ("CSE"). The listing will be subject to the fulfilling all the listing requirements of the CSE.

SCHEDULE "D"

AQUAZOOM HYDROPOWER SOLUTIONS INC.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS AS OF MAY 31, 2023

Aquazoom Hydropower Solutions Inc

Pro-Forma Consolidated Financial Statements

As of May 31, 2023

(Unaudited – Prepared by Management)

CAD IN THOUSANDS

Aquazoom Hydropower Solutions Inc

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CAD in thousands

	Aquazoom	Stickit Limited	Proforma Adjustments	Pro-forma Consolidated
	As of May 31, 2023	As of June 30, 2023		As of May 31, 2023
Assets				
Current assets				
Cash and cash equivalents	(*)	695	-	695
Other accounts receivable	-	110	-	440
Inventories – finished goods	-	34	-	34
Total current assets	**(*)**	**839**	**-**	**839**
Non-current assets				
Right for use of leased assets	-	-	-	-
Fixed assets	-	25	-	25
Total non-current assets	**-**	**25**	**-**	**25**
Total assets	**(*)**	**864**	**-**	**864**
Liabilities and shareholders' equity				
Current liabilities				
Excess of losses over investment in associate joint venture company	-	78	-	78
Trade accounts payable	-	68	-	68
Other accounts payable	10	25	-	35
Related parties	41	-	-	41
Total current liabilities	**51**	**171**	**-**	**222**
Total liabilities	**51**	**171**	**-**	**222**
Shareholders' Equity				
Share capital	(*)	4	44,814	44,818
Share premium	-	4,168	(4,416)	(248)
Reserve for share-based payment transactions	-	964	-	964
Foreign currency translation adjustments	-	(13)	-	(13)
Accumulated deficit	(51)	(4,430)	(40,398)	(44,879)
Total equity	**(51)**	**693**	**-**	**642**
Total equity and liabilities	**-**	**864**		**864**

(*) Represent amount less than CAD 1

Aquazoom Hydropower Solutions Inc

PRO-FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
CAD in thousands

	Aquazoom	**Stickit Limited**	**Proforma Adjustments**	**Pro-forma Consolidated**
	For the 3 Month Period Ended May 31, 2023	For the 6 Month Period Ended June 30, 2023		For the 3 Month Period Ended May 31, 2023
Revenues	-	130	-	130
Cost of revenue	-	60	-	60
Gross profit (loss)	**-**	**70**	**-**	**70**
Research and development expenses	-	74	-	74
General and administrative expenses	37	329	-	366
Other expenses (income)	-	1	44,828	44,829
Net Operating profit (loss)	**(37)**	**(334)**	**(44,828)**	**(45,199)**
Share of losses of company accounted for at equity method	-	1	-	1
Finance expense	-	30	-	30
Finance income	-	-	-	-
Profit (loss)	**(37)**	**(365)**	**(44,828)**	**(45,230)**
Other comprehensive loss:				
Amounts that will not be reclassified subsequently to profit or loss:				
Foreign currencies translation adjustments	-	(52)	-	(52)
Total other comprehensive income (loss)	-	(52)	-	(52)
Total comprehensive loss	**(37)**	**(417)**	**(44,828)**	**(45,282)**
Loss per share attributable to ordinary shareholders of the Company:				
Basic and diluted loss per share	**(0.001)**	**(0.0038)**	**(0.3768)**	**(0.3816)**

PRO-FORMA CONSOLIDATED STATEMENTS OF EQUITY
CAD in thousands

	Note	Number of shares	Share capital
Aquazoom Hydropower Solutions Inc			
Balance as of May 31, 2023		14,404	(*)
Stickit Limited			
Balance as of March 31, 2023		110,816	4
Elimination of pre-acquisition Stickit shares		(110,816)	(4)
Deemed exercise of special warrants			
Consulting and performance warrants issued			
Shares issued to Stickit shareholders		110,816	44,818
Balance as of May 31, 2023		**125,220**	**44,818**

(*) Represent amount less than CAD 1

Note 1 - BASIS OF PRESENTATION

The unaudited pro-forma consolidated financial statements (the “Pro-Forma statements”) has been prepared by the management for disclosure in the prospectus of Aquazoom Hydropower Solutions Inc (the “Company”) dated May 31, 2023. On September 13, 2023, the Company signed a Share Exchange Agreement (“SEA”) with Stickit Limited (“Stickit”), a private limited company incorporated under the laws of Israel. Stickit developed, market and sale high-quality "Cannabis Sticks" base on a registered PCT patent. Pursuant to SEA, the Company will acquire all of the issued and outstanding ordinary shares in the capital of Stickit by way of a share exchange (the “Transaction”, “Consolidation”)), which will result in Stickit becoming a 100% wholly-owned subsidiary of the Company. In connection with the Transaction, the Company will apply for the listing of its shares on the Canadian Securities Exchange by filing a listing statement and prospectus. Upon completion of the Transaction, the Company shall issue 110,816,407 common shares, pro rata, to Stickit shareholders, which will result in the Stickit shareholders holding approximately 87.84% of the Company’s outstanding shares after closing (“Post-consolidation Shares”). An additional 14,403,698 common shares of the Company will be held by original Aquazoom shareholders. The closing date of the Transaction is expected to be in September 2023 subject to regulatory and shareholder approvals. The Pro-Forma statements of the Company gives effect to the Transaction as described above. In substance, the Transaction involves the Company obtaining control of Stickit. The Pro-Forma statements gives effect to the acquisition of the Company’s outstanding common shares by Stickit as a reverse takeover that does not constitute a business for accounting purposes. The Company is deemed to be the acquiring company and its assets, liabilities, equity and historical operating results are included at their historical carrying values. The net assets of Stickit will be recorded at fair value as at the Transaction date with any excess recorded as a public company listing expense. All of Stickit’s deficit and other equity balances prior to the Transaction are eliminated. These Pro-Forma statements have been compiled in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), using the significant accounting policies on a basis consistent with the Company’s accounting policies. The Pro-Forma statements are not necessarily indicative of the financial position or results of operations which would have resulted if the combination had actually occurred as set out in Note 2.

The Pro-Forma statements has been derived from and should be read in in conjunction with the following

(i) The unaudited financial statements of the Company as at and for the three months period ended May 31, 2023;

(ii) The unaudited financial statements of Stickit as at and for three months period ended March 31, 2023;

(iii) The additional information set out in Notes 2 and 3 of the Pro-Forma statements.

The Pro-Forma statements as at May 31, 2023 has been prepared assuming the Transaction as described in Note 2 closed on July 27, 2023. It is management’s opinion that this Pro-Forma statements includes all adjustments necessary for the fair presentation of the Transaction. The Pro-Forma statements are not intended to reflect the financial position or results of operations of the Company, which would have actually resulted had the Transaction been effected on the dates indicated. Actual amounts recorded upon consummation of the Transaction will differ from those recorded in the Pro-Forma statements and the differences may be material.

Note 2 - PRO-FORMA TRANSACTIONS

The Pro-Forma statements were prepared based on the following assumptions:

a) The Pro-Forma statements gives effect to the Transaction as if it had occurred on May 31, 2023.

b) The Company currently has an aggregate of 14,403,698 shares issued and outstanding. As a result of the Transaction, the Company' total shares issued and outstanding will be 126,244,733 on a post-Consolidation basis.

c) Pursuant to the Transaction, holders of the issued and outstanding common shares of the Stickit ("Stickit Shares") will receive 111.1357 of the Company share (as they exist on a post-Consolidation basis) for each Stickit Share held (the "Exchange Ratio"). It is anticipated that approximately 110,816,407 new shares of the Company will be issued under the Transaction. Pursuant to the Transaction, all existing securities convertible into Stickit's shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase Post-consolidation Shares on substantially similar terms and conditions. Concurrently with completion of the Acquisition, Aquazoom completed a financing of $441,000.00. The financing consists of 1,024,628 subscription receipts at a price of $0.4304 each, converted on a 1:1 basis into the Aquazoom shares.

The pro-forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Company's net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transactions. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the Pro-Forma statements and that those differences may be material.

Note 3 - LOSS PER SHARE

The estimated loss per share pursuant to the Transaction for the period ended February 28, 2023 is as follows:

	Aquazoom	Stickit Limited	Proforma Adjustments	Pro-forma Consolidated
Loss and comprehensive loss for the period	(37)	(365)	(44,828)	(45,230)
Weighted average number of common shares outstanding (basic and diluted)	14,403,698	953,178	110,816,407 1,024,628	126,244,733
Basic and diluted loss per share	(0.001)	(0.038)		(0. 3816)

CERTIFICATE OF THE COMPANY

Dated: October 24, 2023

This prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the Company and StickIt as required by the securities legislation of British Columbia.
.

/s/ "Eli Ben-Haroosh"
Eli Ben-Haroosh
President, Chief Executive Officer

/s/ "Sophya Galper-Komet"
Sophya Galper Komet
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Asher Holzer"
Asher Holzer
Director

/s/ "Steven Glaser"
Steven Glaser
Director

CERTIFICATE OF THE PROMOTER

Dated: October 24, 2023

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 British Columbia.

/s/ "Eli Ben-Haroosh"

Eli Ben-Haroosh
Promoter

APPENDIX “B”

ADDITIONAL INFORMATION

All terms used but not defined in this Schedule B have the meanings given to them in the Prospectus, attached to this Listing Statement as Appendix A.

Public Float	Number of Securities (non diluted)	Number of Securities (fully diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Total Outstanding (A)	126,244,733	131,610,370	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer(or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	64,503,160	69,845,564	51.09%	53.07%
Total Public Float (A-B)	61,741,573	61,764,806	48.91%	46.93%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	64,503,160	64,503,760	51.09%	49.01%
Total Tradeable Float (A-C)	61,741,773	67,106,610	48.91%	50.99%

Public Securityholders (Registered)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. The table below is as current as of the date hereof:

	Number of Holders	Total Number of Securities
1 - 99 securities	0	0
100 – 499 securities	13	3,912
500 – 999 securities	9	6,210
1,000 – 1,999 securities	8	12,043
2,000 – 2,999 securities	157	456,748
3,000 – 3,999 securities	66	217,381
4,000 – 4,999 securities	19	86,084
5,000 or more securities	432	60,437,079
TOTAL	**704**	**61,219,457**

Public Securityholders (Beneficial)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. The table below is as current as of the date hereof:

	Number of Holders	Total Number of Securities
1 - 99 securities	1	30
100 – 499 securities	8	2,273
500 – 999 securities	8	5,363
1,000 – 1,999 securities	12	18,016
2,000 – 2,999 securities	3	6,742
3,000 – 3,999 securities	4	13,743
4,000 – 4,999 securities	2	9,170
5,000 or more securities	13	466,979
TOTAL	**51**	**522,316**

Non-Public Securityholders

For the purposes of this table, “non-public securityholders” are persons enumerated in Section (B) of the Issued Capital table above:

	Number of Holders	Total Number of Securities
1 - 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	2	64,503,760
TOTAL	**2**	**64,503,760**

Convertible/ Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Employee stock options exercisable into Company's shares at $0.01	5,342,404	5,342,404
Finder's Warrants exercisable into Company's shares for 48 months at $0.55	23,232	23,232

Other Listed Securities

The Company has no listed securities reserved for issuance.

OTHER MATERIAL FACTS

There are no material facts about the Company and its securities that are not disclosed under the preceding items or in the Prospectus and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.