

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

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Initial Public Offering

February 9, 2018

SPIRIT BANNER II CAPITAL CORP. **(a capital pool company)**

Minimum Offering: \$500,000 (5,000,000 Common Shares)
Maximum Offering: \$1,000,000 (10,000,000 Common Shares)
Price: \$0.10 per Offered Share

The purpose of this offering (the "**Offering**") is to provide Spirit Banner II Capital Corp. (the "**Corporation**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**") and, in the case of a Non-Arm's Length Qualifying Transaction, as hereinafter defined, must also receive Majority of the Minority Approval, as hereinafter defined, in accordance with Policy 2.4 of the Exchange (the "**CPC Policy**"). The Corporation is a Capital Pool Company ("**CPC**") that has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "*Business of the Corporation*" and "*Use of Proceeds*".

The Offering is being conducted on a commercially reasonable efforts basis on behalf of the Corporation through its agent, Canaccord Genuity Corp. (the "**Agent**"), in the Provinces of British Columbia, Alberta and Ontario (the "**Offering Jurisdictions**") and is subject to the receipt by the Corporation of subscriptions for a minimum of 5,000,000 common shares (the "**Minimum Offering**") and a maximum of 10,000,000 common shares (the "**Maximum Offering**"), in the capital of the Corporation (the "**Offered Shares**"), at a price of \$0.10 per Offered Share, for aggregate gross proceeds of a minimum of \$500,000 and a maximum of \$1,000,000. The offering price of the Offered Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Offered Shares will be held by the Agent pursuant to the terms of the Agency Agreement. If the Minimum Offering is not completed within 90 days of the issuance of a Final Receipt (as hereinafter defined) or such other time as may be consented to by the Agent and persons or companies who subscribed within that period, and in any event, not later than 180 days after the date of the receipt of the preliminary prospectus, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*".

	Offered Shares	Price to Public	Agent's Commission⁽²⁾	Net Proceeds to the Corporation⁽³⁾
Per Offered Share ⁽¹⁾	1	\$0.10	\$0.01	\$0.09
Minimum Offering ⁽³⁾	5,000,000	\$500,000	\$50,000	\$450,000
Maximum Offering ⁽³⁾	10,000,000	\$1,000,000	\$100,000	\$900,000

Notes:

- (1) Pursuant to the Agency Agreement (as hereinafter defined), a Minimum Offering of 5,000,000 Offered Shares up to a Maximum Offering of 10,000,000 Offered Shares are offered hereunder, not including the common shares issuable on the exercise of the Agent's Option (as hereinafter defined) or the Stock Options (as hereinafter defined) to be granted concurrently with Closing, as hereinafter defined, to the directors and officers of the Corporation to purchase an aggregate of between 1,160,000 common shares, assuming completion of a Minimum Offering and 1,660,000 common shares, assuming completion of a Maximum Offering, at a price of \$0.10 per common share, which Stock Options and Agent's Option are also qualified for distribution under this prospectus. See "*Option to Purchase Securities - Stock Options*".

- (2) The Agent will receive a commission (the "**Agent's Commission**") equal to 10% of the gross proceeds from the sale of the Offered Shares pursuant to this Offering. The Agent will also receive a non-refundable administration fee equal to \$10,000 (the "**Administration Fee**"), which will be paid on Closing. The Agent will be reimbursed by the Corporation for its reasonable expenses and legal fees, of which \$15,000 has been paid to-date, plus disbursements and will be granted the Agent's Option referred to herein, which are exercisable for a period of 24 months from the Listing Date (as hereinafter defined) of the Corporation's common shares on the Exchange. Not more than 50% of any common share or received by the Agent may be sold by the Agent prior to the Completion of the Qualifying Transaction, the remaining 50% may be sold after the Completion of the Qualifying Transaction. See "*Plan of Distribution – Agency Agreement and Agent's Compensation*".
- (3) Before deducting the costs of this issue estimated at \$100,000 in the case of a Minimum Offering and \$150,000 in the case of a Maximum Offering, which includes audit fees and other expenses of the Corporation, including amounts spent to the date of this Offering, the Agents' Commission, the Administration Fee, legal fees, printing fees, filing fees, disbursements and the listing fees payable to the Exchange, and the \$15,000 advanced retainer paid to the Agent's for expenses, minus any unused portion which will be returned to the Corporation upon Closing. See "*Use of Proceeds*" for more details.

Pursuant to the Agency Agreement, the Agent will receive an option (the "**Agent's Option**") to acquire up to 10% of the Offered Shares sold under the Offering at a price of \$0.10 per common share, exercisable for a period of 24 months from the Listing Date (as hereinafter defined) of the Corporation's common shares on the Exchange. In the event of a Minimum Offering, the Agent's Option shall be, at a minimum, 500,000 common shares of the Corporation and a maximum of 10% of the Offered Shares of the Corporation. In the event of a Maximum Offering, the Agent's Option shall be in the amount of 1,000,000. The grant of the Agent's Option is qualified under this prospectus. See "*Plan of Distribution – Agency Agreement and Agent's Compensation*".

In addition, the Corporation intends to grant at Closing stock options to the directors and officers to purchase, in aggregate between 1,160,000 common shares assuming completion of a Minimum Offering or 1,660,000 common shares assuming completion of a Maximum Offering, at a price of \$0.10 per common share, exercisable for a period of five (5) years from the date of grant (the "**Stock Options**"), which options are qualified under this prospectus. See "*Plan of Distribution*", "*Description of Share Capital*" and "*Options to Purchase Securities*".

Matthew Wood and Bataa Tumur-Ochir, each of whom is a director of the Corporation, reside outside of Canada and have appointed the Corporation at its registered office set forth below as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the person has appointed an agent for service of process.

The registered office of the Corporation is 90 Adelaide Street West, Suite 400, Toronto, Ontario, M5H 2Y2.

Market for Securities

Other than the initial distribution of the Offered Shares pursuant to this prospectus, the grant of the Agent's Option, the grant of the Stock Options to the directors and officers of the Corporation, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the designated securities commission that is the principal regulator for the Corporation, pursuant to Multilateral Instrument 11-102 *Passport System* ("**Principal Regulator**"), and the time the common shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority grants a discretionary order.

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

Risk Factors

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

There is no market through which the Offered Shares offered by this prospectus may be sold and purchasers may not be able to dispose of them on a timely basis. The Corporation was only recently incorporated and does not currently own any assets other than cash. The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction which receives Exchange approval and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval of the Corporation's shareholders. There can be no assurance that the Corporation will successfully complete a Qualifying Transaction. The Exchange may suspend from trading or delist the common shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the date of listing. Investors must rely solely on the expertise of the Corporation's Promoters, as hereinafter defined, directors and officers for any possible return on their investment. The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. See "*Capitalization*", "*Business of the Corporation*", "*Directors, Officers and Promoter*", "*Use of Proceeds*", "*Directors, Officers and Promoters - Conflicts of Interest*" and "*Risk Factors*".

Maximum Investment

This Offering is subject to the CPC Policy and the securities laws of the Offering Jurisdictions. Pursuant to the CPC Policy, no purchaser of Offered Shares is permitted to directly or indirectly purchase more than 2% of the total Offered Shares or 100,000 Offered Shares (\$10,000) in the event of a Minimum Offering and 200,000 Offered Shares (\$20,000) in the event of a Maximum Offering under this prospectus. In addition, the maximum number of Offered Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Offered Shares or 200,000 Offered Shares (\$20,000) in the event of a Minimum Offering and 400,000 Offered Shares (\$40,000) in the event of a Maximum Offering under this prospectus.

Receipt of Subscriptions

The Agent hereby conditionally offers for sale the Offered Shares, on behalf of the Corporation, on a "commercially reasonable efforts" basis, if, as and when subscriptions are delivered to the Corporation, in accordance with the terms and conditions of the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Peterson McVicar LLP, Toronto, on behalf of the Corporation and by Miller Thomson LLP, on behalf of the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that on the Closing Date (as hereinafter defined), the Offered Shares will be settled electronically through CDS Clearing and Depository Services Inc. ("CDS") and will be recorded in electronic book entry format. Purchasers of Offered Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Offered Shares were purchased.

CANACCORD GENUITY CORP.
P.O. Box 10337
2200-609 Granville Street,
Vancouver, British Columbia, V7Y 1H2
Telephone: (604) 643-7300
Fax: (604) 643-7606
Toll Free: 1.800.663.1899

TABLE OF CONTENTS

	Page
GLOSSARY	1
PROSPECTUS SUMMARY	6
THE CORPORATION	8
BUSINESS OF THE CORPORATION	8
Preliminary Expenses	8
Proposed Operations until Completion of a Qualifying Transaction	8
Method of Financing	8
Criteria for a Qualifying Transaction.....	8
Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction	8
Initial Listing Requirements	9
Trading Halts, Suspensions and Delisting	9
Refusal of Qualifying Transaction.....	10
USE OF PROCEEDS	10
Proceeds and Principal Purposes	10
Permitted Use of Funds	11
Restrictions on Use of Proceeds	12
Private Placements for Cash	12
Prohibited Payments to Non-Arm's Length Parties.....	12
PLAN OF DISTRIBUTION	13
Agency Agreement and Agent's Compensation.....	13
Commercially Reasonable Efforts Offering and Minimum Distribution.....	13
Determination of Price.....	14
Listing Application	14
Subscriptions by and Restrictions on the Agent	14
Restrictions on Trading.....	14
Other Securities to be Distributed.....	14
DESCRIPTION OF SHARE CAPITAL.....	14
Common Shares.....	14
Dividend Record and Policy	15
CAPITALIZATION	15
OPTIONS TO PURCHASE SECURITIES	15
Agent's Option	15
Stock Options	16
PRIOR SALES	16
ESCROWED SECURITIES	17
Escrowed Securities on Qualifying Transaction.....	19
Escrowed Securities on Private Placement	19
PRINCIPAL SHAREHOLDERS	20
DIRECTORS, OFFICERS AND PROMOTERS	20
Positions with Reporting Issuers.....	22
Corporate Cease Trade Orders or Bankruptcies	22
Penalties or Sanctions	22
Personal Bankruptcies	22
Conflicts of Interest	23
Executive Compensation	23
PROMOTERS	23
DILUTION	23
RISK FACTORS	23
LEGAL PROCEEDINGS.....	25
RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT	25
RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS	25
AUDITOR, TRANSFER AGENT AND REGISTRAR	25
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	25
MATERIAL CONTRACTS	25
OTHER MATERIAL FACTS	26
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	26
ELIGIBILITY FOR INVESTMENT	26
FINANCIAL STATEMENTS.....	F-1
CERTIFICATE OF THE CORPORATION	C-1

CERTIFICATE OF THE PROMOTER.....	C-2
CERTIFICATE OF THE AGENT.....	C-3

GLOSSARY

"Administration Fee" means the \$10,000 payable to the Agent under the Agency Agreement, of which \$10,000 will be paid on Closing.

"Affiliate" means a company that is affiliated with another company as described below:

A company is an "Affiliate" of another company if:

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

A company is "controlled" by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

"Agency Agreement" means the agency agreement between the Corporation and the Agent, dated ●, 2018.

"Agent" means Canaccord Genuity Corp.

"Agent's Commission" means the commission issued by the Corporation to the Agent equal to 10% of the gross proceeds from the sale of the Offered Shares.

"Agent's Option" means the option issued by the Corporation to the Agent and its subagents, if any, entitling the Agent to acquire up to 10% of the Offered Shares sold under the Offering at a price of \$0.10 per common share. The Agent may exercise all or part of the Agent's Option at any time for a period ending 24 months from the Listing Date.

"Aggregate Pro Group" means all Persons who are members of any "Pro Group" whether or not the Member is involved in a contractual relationship with the Corporation to provide financing sponsorship and other advisory services, and specifically means:

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

(iv) the Member maintains a list of such excluded Persons.

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

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

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

"Associate" when used to indicate a relationship with a Person, means:

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

but

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

"Closing" means the completion of the Offering.

"Closing Date" means the date the Offering is completed.

"common shares" means the common shares without par value in the share capital of the Corporation.

"company" unless specifically indicated otherwise, means a corporation, unincorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

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

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

"Corporation" means Spirit Banner II Capital Corp., a corporation incorporated under the *Business Corporations Act* (Ontario), having its registered office in the City of Toronto, in the Province of Ontario.

"CPC" means a corporation:

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

"CPC Policy" means Policy 2.4 of the Exchange.

"CRA" means Canada Revenue Agency, the Federal agency responsible for income tax and trade regulations.

"Escrow Agent" means TSX Trust Company, a trust company having an office in Calgary, Alberta and the Corporation's registrar and transfer agent.

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange Inc.

"**Final Exchange Bulletin**" means the Exchange bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation that evidences the final Exchange acceptance of the Qualifying Transaction.

"**Final Receipt**" means the receipt issued for this final prospectus by the Ontario Securities Commission pursuant to National Policy 11-102 – *Process for Prospectus Reviews in Multiple Jurisdictions*.

"**Incentive Stock Option Plan**" means the Corporation's stock option plan pursuant to which the Corporation may issue options to its directors, officers and technical consultants exercisable for up to 10% of the Corporation's issued and outstanding common shares as at the Closing of the Corporation's IPO.

"**Initial Listing Requirements**" means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

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

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

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of the company that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

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

"**Listing Date**" means the date of listing of the common shares on the Exchange.

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

- (a) Non-Arm's Length Parties to the CPC;
- (b) Non-Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own shares, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction;

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

"**Maximum Offering**" means the Offering of a maximum of 10,000,000 common shares at a price of \$0.10 per common share.

"**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

"**Members' Agreement**" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange under the Exchange requirements.

"**Minimum Offering**" means the Offering of a minimum of 5,000,000 common shares at a price of \$0.10 per common share.

"**NEX**" means a market on which former Exchange issuers that do not meet Exchange tier maintenance requirements for Tier 2 issuers may continue to trade.

"**Non-Arm's Length Party**" means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

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

"Non-Arm's Length Qualifying Transaction" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are control persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.

"Offered Shares" means a minimum of 5,000,000 common shares and a maximum of 10,000,000 common shares in the capital of the Corporation, to be offered by the Corporation through the Agent for aggregate gross proceeds of a minimum of \$500,000 up to a maximum of \$1,000,000.

"Offering" has the meaning assigned thereto on the face page of this prospectus.

"Offering Jurisdictions" means the provinces of British Columbia, Alberta and Ontario and such other jurisdictions where the Offered Shares may be sold without requirement for registration or filing of a prospectus.

"Optionee" or "Optionees" means the recipient of a stock option under the Incentive Stock Option Plan.

"Person" means a company or individual.

"Principal" means:

- (a) a Person or company who acted as a Promoter of the Issuer within two years or their respective Associates or Affiliates, before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a Person 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 IPO or immediately after the Final Exchange Bulletin for non-IPO transactions;
- (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 IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

The foregoing percentages include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

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

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

"Pro Group" has the meaning specified in Exchange Policy 1.1 – Interpretation.

"Promoter" means Ali Haji, the Chief Executive Officer, Chief Financial Officer, President, and director of the Corporation.

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

"Related Party Transaction" has the meaning ascribed to that term under Exchange Policy 5.9, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

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

"SEDAR" means System for Electronic Document Analysis and Retrieval.

"Seed Share Escrow Agreement" means the escrow agreement dated February ●, 2018 among the Corporation, the Escrow Agent and certain shareholders of the Corporation.

"Seed Shares" means the 6,600,000 common shares issued by the Corporation prior to the filing of the Prospectus, at a price of \$0.05 per common share for gross proceeds of \$330,000.

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the Initial Listing Requirements.

"Sponsor" has the meaning specified in Exchange *Policy 2.2 – Sponsorship and Sponsorship Requirements*.

"Stock Options" means between 1,160,000 options assuming completion of a Minimum Offering and 1,660,000 options assuming completion of a Maximum Offering to purchase common shares of the Corporation, exercisable at a price of \$0.10 per common share, to be granted concurrently on Closing to the directors and officers of the Corporation, as described in *"Options to Purchase Securities"*.

"Target Company" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

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

PROSPECTUS SUMMARY

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

Business of the Corporation: The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. An acquisition financed by the issuance of treasury shares could result in a change of control of the Corporation and may cause the shareholders' interest in the Corporation to be reduced. See "*Business of the Corporation*" and "*Risk Factors*".

Offering: The Offering consists of a Minimum Offering of an aggregate of 5,000,000 Offered Shares for gross proceeds of \$500,000 and a Maximum Offering of 10,000,000 Offered Shares for gross proceeds of \$1,000,000 being offered under this prospectus at a price of \$0.10 per Offered Share in the provinces of British Columbia, Alberta and Ontario. In addition, the Corporation will issue to the Agent and any sub-agents as the Agent may direct, the Agent's Option to purchase that number of common shares equal to 10% of the aggregate number of Offered Shares sold pursuant to this Offering, being a minimum of 500,000 common shares in the event of a Minimum Offering and 1,000,000 common shares in the event of a Maximum Offering, at a price of \$0.10 per common share and which may be exercised for a period of 24 months from the Listing Date. The Agent's Option is qualified for distribution under this prospectus. See "*Plan of Distribution*".

The Corporation also intends to grant Stock Options concurrently with the Closing, to purchase an aggregate of between 1,160,000 common shares assuming completion of a Minimum Offering or 1,660,000 common shares assuming completion of a Maximum Offering, to the current directors and officers of the Corporation, all of which Stock Options are qualified for distribution under this prospectus. Such options will be exercisable at \$0.10 per common share for a period of five years from the Closing Date. See "*Options to Purchase Securities - Stock Options*" and "*Plan of Distribution*".

Use of Proceeds: The net proceeds to the Corporation, including total cash proceeds raised prior to this Offering and the gross proceeds of this Offering, net of all Offering expenses and Agent's Commission, will be approximately \$727,500 in the event of a Minimum Offering and \$1,177,500 in the event of a Maximum Offering. The net proceeds will provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of \$210,000 or 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets. See "*Use of Proceeds*".

Directors and Officers: The directors and officers of the Corporation and the positions held by each of them are as follows:

Ali Haji	President, Chief Executive Officer, Chief Financial Officer, Secretary, Director and Promoter
----------	---

Matthew Wood	Director
--------------	----------

Bataa Tumur-Ochir	Director
-------------------	----------

See "*Directors, Officers and Promoter*" and "*Promoters*".

Escrow: All of the 6,600,000 Seed Shares issued by the Corporation prior to the Closing will be deposited in escrow pursuant to the terms of the Seed Share Escrow Agreement, and will be released in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "*Escrowed Securities*".

Dividend Policy: It is not contemplated that any dividends will be paid on the common shares in the immediate or foreseeable future. See "*Description of Share Capital - Dividend Record and Policy*".

Risk Factors: Investment in the Offered Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was only recently incorporated and has no active business or assets other than cash. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will devote only part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution (based on the gross proceeds from this and prior issuances without deduction of selling and related expenses) per Offered Share of approximately 28% or \$0.028 in the event of a Minimum Offering and \$0.02 or 20% in the event of a Maximum Offering. There can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell the Offered Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

THE CORPORATION

The Corporation was incorporated on September 29, 2017 pursuant to the provisions of the *Business Corporations Act* (Ontario) under the name "Spirit Banner II Capital Corp.". The articles were amended on February 5, 2018 to remove the restrictions against share transfers and other restrictions applicable to private issuers.

The registered and head office of the Corporation is located at Suite 400, 90 Adelaide Street West, Toronto, Ontario M5H 4A6.

BUSINESS OF THE CORPORATION

Preliminary Expenses

To date, the Corporation has raised \$330,000 through the sale of 6,600,000 common shares. (See "*Prior Sales*" and "*Capitalization*"). As at the date hereof, the Corporation has paid the Agent a \$15,000 retainer to be applied towards the expenses of the Agent. In addition, the Corporation has paid \$5,000 (plus H.S.T.) to the Exchange, as part of the Corporation's initial listing fee. Part of the net proceeds of the Offering will be utilized to satisfy the obligations of the Corporation related to this Offering, including the fees and commissions of the Agent, the expenses of its auditors, legal counsel and the Agent's legal counsel and the filing fees of the Exchange and applicable securities regulatory authorities. See "*Use of Proceeds*".

Proposed Operations until Completion of a Qualifying Transaction

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, is also subject to "Majority of the Minority Approval" in accordance with CPC Policy. The Corporation has not conducted commercial operations as at the date of the filing of this prospectus.

The Corporation has not commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction nor has the Corporation entered into an Agreement in Principle. The Corporation intends to pursue a Qualifying Transaction in the mining industry, but there is no assurance that this will in fact be the business sector of a proposed Qualifying Transaction or of the Corporation following the Completion of the Qualifying Transaction.

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

Method of Financing

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

Criteria for a Qualifying Transaction

The board of directors of the Corporation proposes to identify acquisitions of interests in assets or businesses through discussions with various business associates and contacts of the Corporation's officers and directors. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which it may acquire an interest in the asset or business. The board of directors must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith having regard to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's common shares until the filing requirements of the Exchange have been satisfied as set forth under "*Business of the Corporation - Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement

that complies with Exchange requirements. An information circular must be submitted where there is a Non-Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1 or Form 3B2, as the case may be, of the Exchange. Upon acceptance by the Exchange, the Corporation must then either:

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

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

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

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

Initial Listing Requirements

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

Trading Halts, Suspensions and Delisting

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

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

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

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

The Exchange may suspend from trading or delist the common shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the Corporation within 24 months of the date of listing. In the event that the common shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the remaining assets in some other manner. See "*Business of the Corporation - Filings and Shareholder Approval of a Non-Arm's Length Qualifying Transaction*".

If the Corporation does not complete a Qualifying Transaction within 24 months of the date of listing, it may apply for listing on NEX rather than be delisted. In order to be eligible to list on the NEX, the Corporation must:

- (a) either: (i) cancel all escrowed common shares purchased by Non-Arm's Length Parties to the Corporation at a discount to the Offering price, in accordance with section 11.2(a) of the CPC Policy, as if the Corporation had delisted from the Exchange or (ii) subject to majority shareholder approval, cancel the escrowed common shares purchased by Non-Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to the Offering price; and
- (b) obtain majority shareholder approval for the transfer to NEX, exclusive of the votes of Non-Arms Length Parties of the Corporation.

If the Corporation lists the common shares on NEX, it must continue to comply with all requirements and restrictions of the CPC Policy.

Refusal of Qualifying Transaction

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

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

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Offered Shares offered by this prospectus will be \$500,000 in the event of a Minimum Offering and up to \$1,000,000 in the event of a Maximum Offering. The gross proceeds received by the Corporation from the sale of common shares prior to the date of this Prospectus were \$330,000. The expenses and costs associated with the Offering, including the Agent's Commission, are estimated to be in the order of approximately \$100,000 in the event of a Minimum Offering and \$150,000 in the event of a Maximum Offering, of which \$15,000 has been paid to the Agent to date. In addition, the Corporation has paid \$5,000 (plus G.S.T.) to the Exchange, as part of the Corporation's initial listing fee. All such costs and expenses will be paid from the working capital of the Corporation, which will include the proceeds of the Offering. The total estimated funds to the Corporation, including total cash proceeds raised prior to this Offering and total proceeds of this Offering, net of all Offering expenses and Agent's Commission, will be approximately \$727,500 in the event of a Minimum Offering and \$1,177,500 in the event of a Maximum Offering.

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

Item	Minimum Offering	Maximum Offering
Gross cash proceeds raised prior to the Offering (Seed Shares) ⁽¹⁾	\$330,000	\$330,000
Expenses and costs related to raising proceeds for the Seed Shares	\$2,500	\$2,500
Gross cash proceeds to be raised pursuant to the Offering	\$500,000	\$1,000,000
Estimated expenses and costs relating to the Offering ⁽²⁾	\$100,000	\$150,000
Estimated funds available on completion of the Offering⁽³⁾	\$727,500	\$1,177,500
Funds available for identifying and evaluating assets or business prospects ⁽³⁾⁽⁴⁾	\$677,500	\$1,127,500
Estimated general and administrative expenses until completion of a Qualifying Transaction	\$50,000	\$50,000
TOTAL NET PROCEEDS	\$727,500	\$1,177,500

Notes:

- (1) See "Prior Sales".
- (2) Includes listing fees, the Agent's Commission, the Administration Fee and expenses, including legal fees, the Corporation's legal fees, audit fees and other expenses.
- (3) In the event the Agent exercises the Agent's Option and the directors and officers exercise their Stock Options, there will be available to the Corporation an additional \$166,000 in the event of the Minimum Offering and \$266,000 in the event of the Maximum Offering which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (4) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire \$677,500 in the event of a Minimum Offering or \$1,127,500 in the event of a Maximum Offering on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

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

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

Permitted Use of Funds

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

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

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

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

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

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included in "*Use of Proceeds - Permitted Uses of Funds*", listed above, include:

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

Until Completion of a Qualifying Transaction, no proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

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

Prohibited Payments to Non-Arm's Length Parties

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

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

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

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

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

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public a minimum of 5,000,000 Offered Shares and a maximum of 10,000,000 Offered Shares, at a price of \$0.10 per Offered Share for aggregate gross proceeds of \$500,000 in the event of a Minimum Offering and \$1,000,000 in the event of a Maximum Offering, subject to the terms and conditions in the Agency Agreement. The Agent will offer the Offered Shares only in the Offering Jurisdictions. The Agent will receive an Agent's Commission equal to 10% of the aggregate gross proceeds from the sale of the Offered Shares. In addition, the Corporation will pay the Agent an Administration Fee equal to \$10,000 upon Closing. The Corporation will pay the Agent's expenses, legal and search fees, plus disbursements and taxes, of which a retainer of \$15,000 has been paid to date.

The Corporation has also agreed to grant to the Agent a non-transferable Agent's Option which entitles the Agent to purchase up to 10% of the Offered Shares sold under the Offering at a price of \$0.10 per common share and which may be exercised for a period of 24 months from the Listing Date. In the event of a Minimum Offering, a minimum aggregate amount of 500,000 Agent's Option will be granted and in the case of a Maximum Offering, 1,000,000 Agent's Option will be granted.

Not more than 50% of the aggregate number of common shares which can be acquired by the Agent on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Offered Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its sole discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

The Corporation has granted the Agent the right of first refusal for a period of 24 months from the Closing Date to act as agent on future brokered equity financings (public or private) and to act as exclusive financial advisor for general corporate advisory matters or for any material corporate transaction, such as an amalgamation, merger, takeover bid, joint venture, plan of arrangement or reorganization, or any other such transaction, subject to agreeing on mutually acceptable fee arrangements. The Corporation also agrees to grant to the Agent the right of first refusal to act as sponsor for its Qualifying Transaction for a period of 24 months from the Closing Date.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for a minimum of 5,000,000 Offered Shares and a maximum of 10,000,000 Offered Shares at a price of \$0.10 per Offered Share for total gross proceeds of \$500,000 in the event of a Minimum Offering and \$1,000,000 in the event of a Maximum Offering. Under the CPC Policy, no purchaser of Offered Shares is permitted to directly or indirectly purchase more than 2% of the total Offered Shares in the Offering, or 100,000 Offered Shares (\$10,000) in the event of a Minimum Offering, or 200,000 Offered Shares (\$20,000) in the event of a Maximum Offering. In addition, the maximum number of Offered Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Offered Shares in the Offering, or 200,000 Offered Shares (\$20,000) in the event of a Minimum Offering and 400,000 Offered Shares (\$40,000) in the event of a Maximum Offering. The funds received from the Offering will be held by the Agent, and will not be released until proceeds of a minimum of \$500,000 have been deposited. The total subscription must be completed within 90 days of the date of the Final Receipt, or such other time as may be consented to by the Agent or persons or companies who subscribed within that period, and in any event, not later than 180 days after the date of the receipt of the preliminary prospectus, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Determination of Price

The Offering price of the Offered Shares hereunder was determined by negotiation between the Corporation and the Agent and after giving consideration to the CPC Policy.

Listing Application

The Corporation has applied to list the securities under this prospectus on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

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

Until Completion of the Qualifying Transaction, the aggregate number of common shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the issued and outstanding common shares of the Corporation exclusive of common shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four-month Exchange hold period and the securities certificates legended accordingly, as prescribed by Exchange Policy 3.2 "Filing Requirements and Continuous Disclosure".

The Agent has advised the Corporation that to the best of its knowledge and belief, directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for 300,000 Seed Shares of the Corporation prior to this Offering and any subscriptions for Offered Shares of the Corporation by such persons under this Offering will be in accordance with the CPC Policy and related policies of the Exchange.

Restrictions on Trading

Other than the initial distribution of the Offered Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Stock Options to the directors and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator and the time the common shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

Other Securities to be Distributed

The Corporation intends to grant Stock Options to purchase concurrently with the Closing, which entitle the holders to acquire 1,160,000 common shares assuming completion of a Minimum Offering or 1,660,000 common shares assuming completion of a Maximum Offering, to its current directors and officers in accordance with the policies of the Exchange, which options are qualified for distribution under this prospectus. See "*Options to Purchase Securities*".

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of common shares without nominal or par value of which, as at the date hereof, 6,600,000 are issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation. See "*Plan of Distribution*".

All common shares to be outstanding after completion of the Offering will be fully paid and non-assessable common shares in the capital of the Corporation. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

The holders of common shares are entitled to vote at all meetings of shareholders of the Corporation, to receive dividends if, as and when declared by the directors and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation.

As at the date of this prospectus, the Corporation has no outstanding loans or other debt obligations and there has been no material change in the common share and loan capital of the Corporation since the date of its most recent balance sheet contained in the prospectus. See "*Prior Sales*" and "*Options to Purchase Securities*".

Dividend Record and Policy

The Corporation has not paid any dividends on its outstanding common shares of the Corporation since the date of its incorporation. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future. All of the common shares of the Corporation are entitled to an equal share in any dividends declared and paid.

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the date of the balance sheet contained herein and as at the date hereof, both before and after giving effect to the Offering.

Designation of Security	Amount Authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus ⁽¹⁾⁽²⁾	Amount outstanding as of the date hereof ⁽¹⁾	Amount to be outstanding after giving effect to the Offering ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	
				Minimum Offering	Maximum Offering
Common Shares	Unlimited	\$330,000 (6,600,000) Common Shares)	\$330,000 (6,600,000) Common Shares)	\$830,000 (11,600,000) Common Shares)	\$1,330,000 (16,600,000) Common Shares)

Notes:

- (1) As at the date of the most recent balance sheet contained herein and as at the date hereof, the Corporation had not commenced commercial operations.
- (2) As at the date of the most recent balance sheet contained herein 1,100,000 Seed Shares were issued as of December 31, 2017, and 5,500,000 Seed Shares were shares to be issued. See "Prior Sales".
- (3) Assuming completion of a Minimum Offering, a minimum of 1,160,000 common shares will be reserved for issuance pursuant to the Stock Options and assuming completion of a Maximum Offering, 1,660,000 common shares will be issued pursuant to the Stock Options to be granted to directors and officers of the Corporation concurrently with the Closing and exercisable at a price per common share of \$0.10 for a period of five years from the date of grant. In addition, pursuant to the Agency Agreement, the Corporation has agreed to grant to the Agent the Agent's Option on completion of the Offering to purchase an aggregate of between 500,000 common shares assuming the completion of a Minimum Offering and 1,000,000 common shares assuming the completion of a Maximum Offering, at a price of \$0.10 per common share, for a period of 24 months from the Listing Date. See "Plan of Distribution" and "Options to Purchase Securities".
- (4) See "Use of Proceeds".
- (5) Represents gross proceeds of this Offering and prior issues of the Corporation, before deducting the expenses of the Offering and the Agent's Commission equal to 10% of the gross proceeds from the sale of the Offered Shares.
- (6) As at the date thereof, the deficit of the Corporation was nil. The Corporation has no long-term debt.

OPTIONS TO PURCHASE SECURITIES

Agent's Option

Pursuant to the Agency Agreement, the Corporation has agreed to grant to the Agent the Agent's Option on completion of the Offering to purchase an aggregate of between 500,000 common shares assuming completion of a Minimum Offering and 1,000,000 common shares assuming completion of a Maximum Offering, of the Corporation, at a price of \$0.10 per share, for a period of 24 months from the Listing Date. See "Plan of Distribution".

Stock Options

The Corporation has adopted the Incentive Stock Option Plan and intends to enter into stock option agreements granting the Stock Options in accordance with the policies of the Exchange concurrently with the Closing, according to the following terms:

Name	Number of common shares underlying Stock Options to be granted After Giving Effect to the Offering		Exercise or Base Price (\$/Security)	Expiry Date
	Minimum Offering ⁽²⁾	Maximum Offering ⁽²⁾		
Ali Haji	386,667	553,334	\$0.10	5 years from date of grant
Matthew Wood	386,667	553,333	\$0.10	5 years from date of grant
Bataa Tumur-Ochir	386,666	553,333	\$0.10	5 years from date of grant
TOTAL	1,160,000	1,660,000		

Notes:

- (1) As the common shares were not listed on the Exchange at the date of the grant, the market value of the securities underlying the options on the date of grant is not available.
- (2) Stock Options to be granted concurrently with the Closing assuming completion of the Minimum Offering or Maximum Offering.

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

The Corporation intends to grant Stock Options concurrently with the Closing to purchase, in aggregate, a maximum of 1,660,000 common shares, assuming completion of the Maximum Offering, or 1,160,000 common shares, assuming completion of the Minimum Offering, at \$0.10 per common share to the directors and officers of the Corporation. The Stock Options are qualified for distribution pursuant to this prospectus.

The Incentive Stock Option Plan provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Corporation's issued and outstanding common shares upon completion of the Corporation's IPO, exercisable for a period of up to a maximum of ten years from the date of grant; accordingly, the number of common shares reserved for issuance shall not exceed a maximum of 1,660,000 assuming completion of the Maximum Offering, or 1,160,000 assuming completion of the Minimum Offering. The number of common shares reserved for issuance to any individual director or officer in any 12 month period will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any technical consultant in any 12 month period will not exceed 2% of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the Optionee's position with the Resulting Issuer, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any common shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction (including the options in the above table) will be subject to escrow restrictions until the issuance of the Final Exchange Bulletin. See "*Escrowed Securities*".

PRIOR SALES

Since the date of incorporation of the Corporation, 6,600,000 common shares have been issued as follows:

Date	Number of Common Shares ⁽¹⁾	Issue Price Per Share	Aggregate Issue Price	Consideration Received
October 26, 2017	1,100,000	\$0.05	\$55,000	Cash
January 12, 2018	5,500,000	\$0.05	\$275,000	Cash
TOTAL	6,600,000		\$330,000	

Note:

(1) These common shares will be held in escrow in accordance with the CPC Policy. See "Escrowed Securities".

All of the 6,600,000 seed common shares issued and outstanding are subject to escrow. See "*Escrowed Securities*".

ESCROWED SECURITIES

All of the 6,600,000 common shares issued prior to this Offering, at a price below \$0.10 per common share, all common shares that may be acquired from treasury of the Corporation by Non-Arm's Length Parties of the Corporation either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all common shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Escrow Agent under the Seed Share Escrow Agreement.

All common shares acquired on exercise of the Stock Options prior to the Completion of a Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all common shares of the Corporation acquired in the secondary market prior to the Completion of a Qualifying Transaction by a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed. Notwithstanding the foregoing, common shares acquired by Principals of the Corporation or Principals of the Resulting Issuer pursuant to a private placement will not be subject to escrow provided that various conditions, as set forth in the CPC Policy, are met. See "*Escrowed Securities on Private Placement*".

The following table sets out, as at the date hereof, the number of common shares which are held in escrow pursuant to the Seed Share Escrow Agreement.

Name and Municipality of Residence of Shareholder	Number of Common Shares Escrowed	Percentage of Common Shares of the Corporation Prior to Giving Effect to the Offering	Percentage of Common Shares of the Corporation After Giving Effect to the Offering ⁽¹⁾	
			Minimum Offering	Maximum Offering
Tevis Michaud ⁽²⁾⁽³⁾ Vancouver, British Columbia	200,000	3.03%	1.72%	1.20%
Zahir Zip Dhanani ⁽²⁾ West Vancouver, British Columbia	300,000	4.55%	2.59%	1.81%
Maleksultan Dhanani ⁽²⁾ West Vancouver, British Columbia	400,000	6.06%	3.45%	2.41%
Ian S. MacPherson ⁽²⁾⁽³⁾ Vancouver, British Columbia	100,000	1.52%	0.86%	0.60%
Palos Management Inc. ⁽²⁾⁽⁴⁾ Montreal, Quebec	100,000	1.52%	0.86%	0.60%
Evolvere Inc. ⁽²⁾⁽⁵⁾ Toronto, Ontario	400,000	6.06%	3.45%	2.41%
Matthew Gaden Western Wood ⁽²⁾⁽⁶⁾ Ulaanbaatar, Mongolia	1,200,000	18.18%	10.34%	7.23%
Bataa Tumor-Ochir ⁽²⁾⁽⁶⁾ Ulaanbaatar, Mongolia	400,000	6.06%	3.45%	2.41%
Aneel Waraich ⁽²⁾	600,000	9.09%	5.17%	3.61 %

Toronto, Ontario				
James McVicar ⁽²⁾ Toronto, Ontario	100,000	1.52%	0.86%	0.60%
Jon Wojnicki ⁽²⁾ Toronto, Ontario	300,000	4.55%	2.59%	1.81%
Brodie Dunlop ⁽²⁾ Vancouver, British Columbia	100,000	1.52%	0.86%	0.60%
Patrick Michaels ⁽²⁾ Zurich, Switzerland	200,000	3.03%	1.72%	1.20%
Jodi Cassidy ⁽²⁾ Toronto, Ontario	200,000	3.03%	1.72%	1.20%
Tsagaagchin Bayan Nuur LLC ⁽²⁾ Ulaanbaatar, Mongolia	400,000	6.06%	3.45%	2.41%
Yesun Khult LLC ⁽²⁾ Ulaanbaatar, Mongolia	400,000	6.06%	3.45%	2.41%
582225 Alberta Ltd. ⁽²⁾⁽⁷⁾ Calgary, Alberta	500,000	7.58%	4.31%	3.01%
Maxit Capital LP ⁽²⁾⁽⁸⁾ Toronto, Ontario	500,000	7.58%	4.31%	3.01%
Carerra Capital Management Inc. ⁽²⁾⁽⁹⁾ Toronto, Ontario	200,000	3.03%	1.72%	1.20%
TOTAL	6,600,000	100%	56.90%	39.76%

Notes:

- (1) Assuming no Offered Shares are purchased by these Persons under the Offering and assuming no exercise of the Agent's Option or Stock Options are issued.
- (2) Held in trust by TSX Trust Company.
- (3) Members of the Pro Group.
- (4) Joe Galluci has beneficial ownership and control over the purchased Seed Shares.
- (5) Evolvere Inc. is a company controlled by the President, Chief Executive Officer, Chief Financial Officer, Secretary, and director of the Corporation, Ali Haji.
- (6) Bataa Tumur-Ochir and Matthew Gaden Western Wood are directors of the Corporation.
- (7) 582225 Alberta Ltd. is a company controlled by Hugh Hamill.
- (8) Maxit Capital LP is a company controlled by Bob Sangha.
- (9) Carrerra Capital Management Inc is a company controlled by Jeffrey Zicherman.

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

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

If, upon the Completion of a Qualifying Transaction, the Corporation or the Resulting Issuer meets the Exchange's Tier 1 Minimum Listing Requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Seed Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 Issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

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

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

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

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security escrow agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if fewer than 75% of the securities issued pursuant to the Qualifying Transaction are Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 Issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 Issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a 3-year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Escrowed Securities on Private Placement

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

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

PRINCIPAL SHAREHOLDERS

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

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares Owned, Directed, or Controlled ⁽³⁾	Percentage of Common Shares Owned Prior to Giving Effect to the Offering	Percentage of Common Shares Owned After Giving Effect to the Offering ⁽¹⁾⁽²⁾	
				Minimum Offering	Maximum Offering
Matthew Gaden Western Wood Ulaanbaatar, Mongolia	Record and Beneficially	1,200,000	18.18%	10.34%/11.96%	7.23%/9.10%

Notes:

- (1) Assuming that no Offered Shares are purchased by this Person under the Offering and assuming no exercise of the Stock Options or Agent's Option are issued.
- (2) On a fully diluted basis, assuming that no Offered Shares are purchased by this Person under the Offering, but assuming the exercise of the Agent's Option and the exercise of the Stock Options to be granted to the directors and officers of the Corporation.

DIRECTORS, OFFICERS AND PROMOTERS

The following is a list of the current directors, officers and the Promoter of the Corporation, their municipalities of residence, their current positions with the Corporation and their principal occupations during the past five years:

Name and Municipality of Residence	Position With Corporation	Age	Number of Common Shares of the Corporation
Ali Haji⁽¹⁾⁽²⁾ Toronto, Ontario	President, Chief Executive Officer, Chief Financial Officer, Secretary and Director	35	400,000
Matthew Gaden Western Wood⁽¹⁾ Ulaanbaatar, Mongolia	Director	48	1,200,000
Bataa Tumor-Ochir⁽¹⁾ Ulaanbaatar, Mongolia	Director	31	400,000

Notes:

- (1) Member of the Corporation's Audit Committee
- (2) Seed Shares of the Corporation owned by Mr. Haji are held through Evolvere Inc.

All of the directors currently have employment outside of the Corporation. Each of the directors of the Corporation has agreed to devote as much of his time to the business and affairs of the Corporation as necessary to complete the Corporation's Qualifying Transaction. In addition to any other requirements of the Exchange, the Exchange expects

management of the Corporation to meet a high standard of management. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset within twenty-four (24) months of the closing of this Offering.

The directors and officers of the Corporation currently own or control, directly or indirectly, 2,000,000 common shares of the issued and outstanding common shares and will own 17.24% of the issued and outstanding common shares assuming completion of the Minimum Offering and 12.05% assuming completion of the Maximum Offering.

Ali Haji, Toronto, Ontario – President, Chief Executive Officer, Chief Financial Officer, Secretary and Director

Mr. Haji owns 400,000 common shares of the Corporation indirectly through a privately held company controlled by Mr. Haji amounting to 6.06% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Haji has also been granted an option to purchase up to 386,667 common shares assuming completion of a Minimum Offering and up to 553,334 common shares assuming completion of a Maximum Offering. See "*Options to Purchase Securities*".

Mr. Haji is currently a director of Antler Hill Mining Ltd. Mr. Haji has extensive knowledge of the financial services sector after having spent over 11 years in the Asset Management Industry performing strategic and process improvement roles. He started his career as a technology analyst at Invesco Ltd. in 2006 and advanced into various roles including Technology Risk, Controls, Program Management, and Process Improvement with international assignments involving mergers and acquisitions in Hong Kong, U.S.A and Australia. Most recently, he was also a principal contributor to the creation of a Center of Excellence in London, England for Invesco Ltd. Mr. Haji attended The University of Western Ontario and holds a BSc in Computer Science.

Mr. Haji will devote approximately 25% of his time to performing the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Matthew Gaden Western Wood, Ulaanbaatar, Mongolia – Director

Mr. Wood is the legal and beneficial owner of 1,200,000 common shares of the Corporation, amounting to 18.18% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Wood has also been granted an option to purchase up to 386,667 common shares assuming completion of a Minimum Offering and up to 553,333 common shares assuming completion of a Maximum Offering. See "*Options to Purchase Securities*".

Mr. Matthew Wood is a mineral resource explorer and developer with over 25 years global industry experience in mining and commodities investment. He has managed deals in coal, energy, ferrous metals, base and precious metals, and other commodities. His experience includes identifying technical and economic resource opportunities and managing these opportunities through acquisitions, financings and public listings.

Mr. Wood is Chairman, President, Chief Executive Officer and Director of Steppe Gold Ltd., a junior mining exploration company operating in Mongolia since 2016. He is also President and CEO of Five Star Diamonds Ltd. since April of 2017.

Mr. Wood has an Honours Degree in Geology from the University of New South Wales and a Graduate Certificate in Mineral Economics from the Western Australian School of Mines. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr. Wood will devote approximately 25% of his time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Bataa Tumor-Ochir, Ulaanbaatar, Mongolia – Director

Mr. Bataa Tumor-Ochir is the legal and beneficial owner of 400,000 common shares of the Corporation, amounting to 6.06% of the Corporation's total issued and outstanding share capital as at the date of this prospectus and prior to giving effect to the Offering. Mr. Tumor-Ochir has also been granted an option to purchase up to 386,666 common shares assuming completion of a Minimum Offering and up to 553,333 common shares assuming completion of a Maximum Offering. See "*Options to Purchase Securities*".

Mr. Bataa Tumor-Ochir is a Mongolian citizen and has served as the Chief Operating Officer for Wolf Petroleum Limited since its incorporation in 2010. He was appointed as an Executive Director of Wolf Petroleum Limited on in August of 2011. Mr. Tumor-Ochir is responsible for new business acquisitions, development and government and community relations. Mr. Tumor-Ochir is also responsible for daily operations in Mongolia. Under his guidance, Wolf Petroleum was awarded with the "Operator of the Year Award" from the Petroleum Authority of Mongolia, and today, Wolf Petroleum is recognized as the fastest growing petroleum exploration company in Mongolia.

Mr. Tumor-Ochir is currently the Vice President and Director of Steppe Gold Ltd., a junior mining exploration company in Mongolia since 2016. Since 2013, Mr. Tumor-Ochir has been the Chief Executive Officer and a director of Wolf Petroleum Ltd., an Australian Stock Exchange listed company.

Mr. Tumor-Ochir holds a bachelor's degree in business administration and graduate certificates in international business and marketing from institutions in Australia and Singapore.

Mr. Tumor-Ochir will devote approximately 10% of his time necessary to perform the work required in connection with the management of the Corporation and completion of the Qualifying Transaction.

Positions with Reporting Issuers

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

Name of Director Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Ali Haji	Antler Hill Mining Ltd.	TSXV	Director	2017-Present
Matthew Wood	Five Star Diamonds Limited	TSXV	Chairman, President and CEO	2017-Present
	Steppe Gold Ltd.	TSXV	Chairman, President, CEO and Director	2016-Present
	Antler Hill Mining Ltd.	TSXV	Chairman and Director	2017-Present
Bataa Tumor-Ochir	Steppe Gold Ltd.	TSXV	Vice-President, Mongolia and Director	2016-Present
	Spirit Banner Capital Corp.	Unlisted	Director	2017-Present
	Wolf Petroleum Limited	ASX	COO Executive Director CEO and Director	2010-2013 2011-2013 2013-Present

Committees

The Corporation currently has one committee, the Audit Committee, which consists of three directors: Ali Haji, Matthew Wood, and Bataa Tumor-Ochir. The members of the Audit Committee are financially literate, as defined by National Instrument 52-110. It is anticipated that two additional committees will be formed in future: Compensation Committee and the Corporate Governance Committee.

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within ten years before the date of the prospectus, has been, a director, officer, Insider or Promoter of any other Issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order, or an order that denied such Issuer access to any statutory exemptions for a period of more than 30 consecutive days; or (b) 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.

Penalties or Sanctions

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

Personal Bankruptcies

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the 10 years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation will be subject in connection with the operations of the Corporation. All of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some or all of the directors, officers, Insiders and Promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Ontario).

Executive Compensation

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

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

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

The directors and officers of the Corporation will also be granted Stock Options as more particularly described in "*Options to Purchase Securities*".

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

PROMOTERS

Ali Haji is considered to be the Promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. See "*Prior Sales*", "*Directors, Officers and Promoters*", "*Principal Shareholders*" and "*Options to Purchase Securities – Stock Options*".

DILUTION

Purchasers of Offered Shares under this prospectus will suffer an immediate dilution of approximately 28% or \$0.028 per Offered Share in the event of a Minimum Offering and 20% or \$0.02 per Offered Share in the event of a Maximum Offering on the basis of there being 11,600,000 common shares of the Corporation issued and outstanding following completion of a Minimum Offering and 16,600,000 common shares of the Corporation issued and outstanding following completion of a Maximum Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to the filing of this prospectus, without deduction of commissions or related expenses incurred or to be incurred in connection with the Offering by the Corporation.

RISK FACTORS

A purchase of Offered Shares of the Corporation and the purchaser's investment will be highly speculative due to the substantial risk of the Corporation's business and its present stage of development. The following are risk factors associated with the Corporation, which list is not exhaustive:

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at

least after Completion of the Qualifying Transaction. See “*Business of the Corporation – Proposed Operations until Completion of a Qualifying Transaction*”;

- (b) the directors and officers of the Corporation will devote only a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See “*Directors, Officer and Promoter – Conflicts of Interests*”;
- (c) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of approximately 20% or \$0.02 per Offered Share in the event of a Minimum Offering and 28% or \$0.028 per Offered Share in the event of a Maximum Offering, calculated as set forth under “*Dilution*” above;
- (d) the Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Corporation. In such event, the Corporation will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found;
- (e) investment in the Offered Shares is highly speculative given the proposed nature of the Corporation’s business and its present stage of development;
- (f) there can be no assurance that an active and liquid market for the Corporation’s common shares will develop and an investor may find it difficult to resell its Offered Shares;
- (g) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See “*Business of the Corporation – Proposed Operations until Completion of a Qualifying Transaction*”;
- (h) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (i) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (j) completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm’s Length Qualifying Transaction, Majority of the Minority Approval. See “*Business of the Corporation – Filings and Shareholder Approval of a Non-Arm’s Length Qualifying Transaction*”;
- (k) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the common shares;
- (l) upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The common shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction. See *Business of the Corporation – Trading, Halts, Suspensions and Delisting*”;
- (m) trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required. See “*Business of the Corporation – Trading, Halts, Suspensions and Delisting*”;
- (n) the Exchange will generally suspend trading in the Corporation’s common shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing. See “*Business of the Corporation – Trading, Halts, Suspensions and Delisting*”;
- (o) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (p) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;

- (q) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation. See “*Business of the Corporation – Method of Financing*”; and
- (r) subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan. See “*Use of Proceeds – Permitted Use of Funds*”.

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

LEGAL PROCEEDINGS

The Corporation is not currently a party to any actual or pending legal proceedings, nor is the Corporation currently contemplating any legal proceedings, which are material to its business or of which any of its assets are likely to be subject. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

Neither the Corporation nor any of its directors or officers are a “related” or “connected issuer” as such terms are defined in National Instrument 33-105, “Underwriting Conflicts” of the Agent. Employees, directors and officers of the Agent own, or have control or direction over an aggregate of 300,000 Seed Shares, or 4.55% of the Corporation prior to the completion of the Offering.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

With the exception of 100,000 Seed Shares over which James McVicar, legal counsel to the Corporation, has ownership, and control, there is no beneficial interest, direct or indirect, in any securities or properties of the Corporation or of an Associate or Affiliate of the Corporation, held by a professional person as referred to in the CPC Policy, a responsible solicitor or any partner of a responsible solicitor’s firm, nor is any such person currently or expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a Promoter of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of the Corporation is MNP LLP, Chartered Accountants, #300, 111 Richmond Street W., Toronto, Ontario M5H 2G4.

Transfer Agent and Registrar

The registrar and transfer agent of the common shares of the Corporation is TSX Trust Company, Suite 300, 100 Adelaide Street West, Toronto, ON M5H 4H1.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, officers and any shareholder who beneficially own, directly or indirectly, more than 10% of the outstanding common shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the common shares hereunder, other than the following:

- (a) Registrar and Transfer Agent Agreement dated as of December 28, 2017 between the Corporation and the Agent. See “*Auditor, Transfer Agent and Registrar*”.
- (b) Agency Agreement dated as of ▼, 2018 between the Corporation and the Agent. See “*Plan of Distribution*”.
- (c) Seed Share Escrow Agreement dated as of ▼, 2018 between the Corporation, the Escrow Agent and those shareholders that executed such agreement. See “*Escrowed Securities*”.

(d) Incentive Stock Option Plan dated as of December 12, 2017. See “Options to Purchase Securities”.

Copies of these agreements will be available for inspection at the registered office of the Corporation, located at Suite 400, 90 Adelaide Street West, Toronto, Ontario M5H 4A6 during ordinary business hours while the Offered Shares offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

To the Corporation’s knowledge, there are no other material facts about the Offered Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Offered Shares being distributed.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Peterson McVicar LLP, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, if the common shares were issued on the date hereof and listed on a “designated stock exchange” as defined in the Tax Act (which includes the Exchange) or if the Corporation was otherwise a “public corporation” (as defined in the Tax Act) on the date hereof, then the common shares would at that time be a “qualified investment” under the Tax Act for a trust governed by a “registered retirement savings plan” (“**RRSP**”), “registered retirement income fund” (“**RRIF**”), “tax-free savings account” (“**TFSA**”), “registered education savings plan” (“**RESP**”), “deferred profit sharing plan” or “registered disability savings plan” (“**RDSP**”), as those terms are defined in the Tax Act (collectively the “**Plans**”).

The common shares are not currently listed on a designated stock exchange and the Corporation is not currently a “public corporation”, as that term is defined in the Tax Act. The Corporation has applied to list the common shares on the Exchange as of the day before the Closing of the Offering, followed by an immediate halt in trading of the common shares in order to allow the Corporation to satisfy the conditions of the Exchange and to have the common shares listed and posted for trading prior to the issuance of the common shares on the Closing of the Offering. The Corporation must rely on the Exchange to list the common shares on the Exchange and have them posted for trading prior to the issuance of the common shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the common shares being listed on the Exchange at the time of their issuance on Closing. If the common shares are not listed on the Exchange at the time of their issuance on the Closing of the Offering and the Corporation is not otherwise a “public corporation” at that time, the common shares will not be qualified investments for the Plans at that time.

Notwithstanding that the common shares may be qualified investments for a TFSA, RRSP or RRIF (a “**Registered Plan**”), if the common shares are a “prohibited investment” within the meaning of the Tax Act for a Registered Plan, the holder or annuitant of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The common shares will generally not be a prohibited investment for a Registered Plan if the holder or annuitant, as the case may be, (a) deals at arm’s length with the Corporation for the purposes of the Tax Act, and (b) does not have a “significant interest” (as defined in the Tax Act) in the Corporation. In addition, the common shares will not be a prohibited investment if the common shares are “excluded property” (as defined in the Tax Act) for a Registered Plan. Pursuant to proposed amendments to the Tax Act announced in the federal budget released on March 22, 2017, the rule in respect of “prohibited investments” are also proposed to apply to registered education savings plans and registered disability savings plans, generally in respect of transactions occurring, and investments acquired after, such date. Holders and annuitants should consult their own tax advisors with respect to whether the common shares would be a “prohibited investment” as defined in the Tax Act.

Purchasers who intend to hold common shares in their Plans, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

Spirit Banner II Capital Corp.
(A Capital Pool Corporation)

Financial Statements

(in Canadian Dollars)

**For the period from the Date of Incorporation (September 29, 2017) to
December 31, 2017**

Independent Auditors' Report

To the Shareholders of Spirit Banner II Capital Corp:

We have audited the accompanying financial statements of Spirit Banner II Capital Corp. which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income (loss), changes in shareholders' equity and cash flows from the date of incorporation (September 29, 2017) to December 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of Spirit Banner II Capital Corp. as at December 31, 2017 and its financial performance and its cash flows for the period from the date of incorporation (September 29, 2017) to December 31, 2017 in accordance with International Financial Reporting Standards.

MNP LLP

February 9, 2018
Toronto, Ontario

Chartered Professional Accountants
Licensed Public Accountants

MNP
LLP

Spirit Banner II Capital Corp.

Statement of Financial Position

(in Canadian Dollars)

As at December 31, 2017

Current assets

Cash	\$ 329,931
Total current assets	329,931

Current Liabilities

Accrued liabilities	16,459
---------------------	--------

Shareholders' equity

Share capital (note 3)	327,500
Shares to be issued (note 3)	275,000
Accumulated deficit	(14,028)
Total Shareholders' equity	313,472

Total Liabilities and shareholders' equity	\$ 329,931
--	------------

Subsequent Events (note 7)

Approved by the Board (Signed) "Ali Haji" (Signed) "Matthew Wood"
Ali Haji Matthew Wood

The accompanying notes are an integral part of these financial statements

Spirit Banner II Capital Corp.

Statement of Comprehensive Income (Loss)

(in Canadian Dollars)

For the period from the Date of Incorporation (September 29, 2017) to December 31, 2017

General and administrative expenses

Professional fees	\$	13,959
Bank fees		69
Total expenses		14,028
Net income and comprehensive income (loss)	\$	(14,028)
Net loss per share	\$	-
Weighted average number of units outstanding		-

The accompanying notes are an integral part of these financial statements

Spirit Banner II Capital Corp

Statement of Shareholders' Equity

For the Period from the Date of Incorporation (September 29, 2017) to December 31, 2017

	Number of Shares	Share Capital	Shares to be issued	Deficit	Shareholders' Equity
Balance at September 29, 2017	-	\$ -	\$ -	\$ -	\$ -
Share subscription (note 3)	1,100,000	55,000	-	-	55,000
Shares to be issued (note 3)	5,500,000	-	275,000	-	275,000
Share issuance costs	-	(2,500)	-	-	(2,500)
Net loss for the period	-	-	-	(14,028)	(14,028)
Balance at December 31, 2017	6,600,000	\$ 52,500	\$ 275,000	\$ (14,028)	\$ 313,472

The accompanying notes are an integral part of these financial statements

Spirit Banner II Capital Corp.

Statement of Cash Flows

(in Canadian Dollars)

For the Period from the Date of Incorporation (September 29, 2017) to December 31, 2017

Cash provided by/(used in)

Operating activities

Net loss	\$	(14,028)
----------	----	----------

Change in accrued liabilities		16,459
		<u>2,431</u>

Financing Activities

Share subscription, net of fees		52,500
---------------------------------	--	--------

Shares to be issued		<u>275,000</u>
---------------------	--	----------------

Net change in cash		329,931
--------------------	--	---------

Cash beginning of period		<u>-</u>
--------------------------	--	----------

Cash end of period	\$	<u>329,931</u>
--------------------	----	----------------

The accompanying notes are an integral part of these financial statements

Spirit Banner II Capital Corp.

Notes to Financial Statements

(a Capital Pool Corporation)

(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

1. INCORPORATION AND NATURE OF BUSINESS

Spirit Banner II Capital Corp. (the "Corporation") was incorporated under the Business Corporation Act (Ontario) on September 29, 2017 and has applied to be classified as a Capital Pool Corporation as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's-length transaction, of the majority of the minority shareholders.

The registered office of the Corporation is located at Suite 400, 90 Adelaide Street West, Toronto, Ontario M5J 4A6.

On February 9, 2018, the Board of Directors approved the financial statements for the period from Date of Incorporation (September 29, 2017) to December 31, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The 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").

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Loss Per Share

Basic earnings loss per common share is determined by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares in escrow. Diluted loss per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding. 6,600,000 common shares were excluded from the calculation as they were contingently issuable and all conditions necessary for their issuance have not been satisfied (note 3).

Spirit Banner II Capital Corp.

Notes to Financial Statements

(a Capital Pool Corporation)

(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Corporation has classified its financial instruments as follows:

<i>Financial Instrument</i>	<i>Classification</i>
Cash	FVTPL
Accrued liabilities	Other liabilities

The Corporation's financial instruments measured at fair value on the statements of financial position consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Share Issuance Costs

Share issuance costs relate to expenditures incurred in connection with the Corporation's share issuance (note 3) and are charged against share capital.

Spirit Banner II Capital Corp.

Notes to Financial Statements

(a Capital Pool Corporation)

(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

Accounting Standards Issued but not yet Applied

Certain new mandatory standards, interpretations and amendments to existing standards, have been issued by the IASB or the IFRS Interpretations Committee ("IFRIC"), which the Corporation reasonably expects to be applicable for later periods are listed below. The Corporation has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The Corporation anticipates that this standard will be adopted in the Corporation's financial statements for the year beginning January 1, 2018, and has not yet considered the potential impact of the adoption of IFRS 9.

Spirit Banner II Capital Corp.

Notes to Financial Statements
(a Capital Pool Corporation)
(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

3. SHARE CAPITAL

Authorized:

Unlimited number of common shares

Issued and fully paid:

	Number of Shares		Amount
Issuance of common shares	1,100,000	\$	55,000
Shares to be issued	5,500,000		275,000
Share issuance costs			(2,500)
Balance, December 31, 2017	6,600,000	\$	327,500

Escrowed Shares

On October 26, 2017 the Corporation issued 1,100,000 common shares at \$0.05 per share for total proceeds of \$55,000.

On January 12, 2018 the Corporation issued 5,500,000 common shares at \$0.05 per share for total proceeds of \$275,000. As the funds were received prior to December 31, 2017 the amount has been included in shares to be issued.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

4. CONTINGENCY

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation's shares from trading.

Spirit Banner II Capital Corp.

Notes to Financial Statements

(a Capital Pool Corporation)

(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

5. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Capital management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of issued common shares, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk disclosures and fair values

The Corporation's financial instruments, consisting of cash and accrued liabilities approximate fair value due to the relatively short term maturities of the instrument. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

There was no remuneration paid to key management personnel during the period ended December 31, 2017.

Spirit Banner II Capital Corp.

Notes to Financial Statements

(a Capital Pool Corporation)

(in Canadian Dollars)

For the Period from the date of incorporation to December 31, 2017

7. SUBSEQUENT EVENT

(a) Filing of prospectus:

The Corporation is in the process of filing its prospectus and is proposing to issue a minimum of 5,000,000 common shares (the "Minimum Offering") and a maximum of 10,000,000 common shares (the "Maximum Offering"), in the capital of the Corporation (the "Offered Shares"), at a price of \$0.10 per Offered Share, for aggregate gross proceeds of a minimum of \$500,000 and a maximum of \$1,000,000.

Pursuant to an agency agreement, Canaccord Genuity Corp. (the "Agent") will receive 10% of the gross proceeds of the offering as well as compensation options to acquire up to 10% of the number of Offered Shares, being a minimum of 500,000 common shares in the event of a Minimum Offering and 1,000,000 common shares in the event of a Maximum Offering, at a price of \$0.10 per common share and which may be exercised for a period of 24 months from the Listing Date. The Agent will also receive a non-refundable Administrative Fee of \$10,000 on the Closing, as well as a \$15,000 non-refundable retainer to cover the Agent's reasonable expenses and legal fees.

The Corporation also intends to grant stock options of the Corporation concurrently upon Closing, to purchase an aggregate of between 1,160,000 common shares assuming completion of a Minimum Offering or 1,660,000 common shares assuming completion of a Maximum Offering, to the current directors and officers of the Corporation. Such options will be exercisable at \$0.10 per common share for a period of five years from the Closing Date.

CERTIFICATE OF THE CORPORATION

DATE: February 9, 2018

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, Alberta and Ontario.

(Signed) “*Ali Haji*”

Ali Haji

President, Chief Executive Officer, Chief Financial Officer, Secretary and Director

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) “*Ali Haji*”

Ali Haji

President, Chief Executive Officer, Chief Financial Officer, Secretary and Director

(Signed) “*Matthew Wood*”

Matthew Wood

Director

(Signed) “*Bataa Tumor-Ochir*”

Bataa Tumor-Ochir

Director

CERTIFICATE OF THE PROMOTER

DATE: February 9, 2018

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, Alberta and Ontario.

Per: (Signed) "***Ali Haji***"

Ali Haji

Promoter

CERTIFICATE OF THE AGENT

DATE: February 9, 2018

To the best of our knowledge, information and belief, 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, Alberta and Ontario.

CANACCORD GENUITY CORP.

Per: (Signed) "**Frank Sullivan**"
Frank Sullivan
Vice President, Sponsorship,
Investment Banking