

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta, Ontario, and New Brunswick 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.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.

PRELIMINARY PROSPECTUS

New Issue

July 20, 2022



HYPERCHARGE NETWORKS CORP.

310 - 1008 Homer Street
Vancouver, BC V6B 2X1

10,000,000 COMMON SHARES ISSUABLE ON THE DEEMED EXERCISE OR EXCHANGE OF 10,000,000 OUTSTANDING SUBSCRIPTION RECEIPTS

This prospectus (the “**Prospectus**”) is being filed by Hypercharge Networks Corp. (formerly Cliffwood Capital Corp.) (the “**Corporation**” or “**Hypercharge**”) to qualify the distribution of 10,000,000 common shares in the capital of the Corporation (each, a “**Subscription Receipt Share**”) issuable for no additional consideration upon the deemed exercise or exchange of 10,000,000 subscription receipts of the Corporation (the “**Subscription Receipts**”).

No securities are available for purchase pursuant to this Prospectus and, except for the release of the Escrowed Funds (as defined below), no additional funds are to be received by the Corporation from the distribution of the securities under this Prospectus.

There is no market through which the Corporation’s securities may be sold and purchasers may not be able to resell securities of the Corporation owned by them. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

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

The Subscription Receipts were issued by the Corporation on June 1, 2022 (the “**Closing Date**”), in connection with a brokered private placement of 10,000,000 Subscription Receipts (the “**Subscription Receipt Private Placement**”). In connection with the Subscription Receipt Private Placement, the Corporation issued an aggregate of 10,000,000 Subscription Receipts at a price of \$0.60 per Subscription Receipt (the “**Issue Price**”) and received aggregate gross proceeds of \$6,000,000. The gross proceeds from the sale of the Subscription Receipts, less certain fees and expenses of the Agents as described herein, were deposited into escrow and are held by Odyssey Trust Company (the “**Subscription Receipt Agent**”) in a separate interest bearing account (the “**Escrowed Funds**”) pursuant to the Subscription Receipt Agreement (as defined herein), with such Escrowed Funds not to be released until the

satisfaction of the Escrow Release Conditions (as defined herein), at which time the balance of the Escrowed Funds together with any interest earned thereon will be accessible by the Corporation. The Subscription Receipts were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Qualifying Jurisdictions (as defined herein).

The Subscription Receipts issued under the Subscription Receipt Private Placement were issued pursuant to the terms of an agency agreement (the “**Agency Agreement**”) dated effective June 1, 2022 among the Corporation, Haywood Securities Inc. (the “**Lead Agent**”), Clarus Securities Inc., Eight Capital, and Research Capital Corporation (together with the Lead Agent, the “**Agents**”).

	Price to the Public ⁽¹⁾	Commission ⁽²⁾	Net Proceeds to the Corporation
Per Subscription Receipt	\$0.60	\$0.042 ⁽³⁾ / \$0.021 ⁽⁴⁾	\$0.558 / \$0.579
Brokered Subscription Receipt Private Placement	\$6,000,000	\$332,552 (\$245,105 ⁽³⁾ / \$87,447 ⁽⁴⁾)	\$5,426,648 ⁽⁵⁾

Notes:

- (1) The price per Subscription Receipt was determined by negotiation between the Corporation and the Agents.
- (2) Pursuant to the terms of the Agency Agreement, the Corporation agreed to pay the Agents a cash fee (the “**Agents’ Cash Fee**”) equal to 7.0% of the gross proceeds of the Brokered Subscription Receipt Private Placement, provided that the cash commission was reduced to 3.5% for proceeds received from President’s List purchasers (as defined herein). 50% of the Agents’ Cash Fee was paid to the Agents on the Closing Date and the remaining 50% of the Agents’ Cash Fee was deposited into escrow pursuant to the Subscription Receipt Agreement and forms part of the Escrowed Funds, and is payable to the Agents upon the satisfaction of the Escrow Release Conditions. As additional compensation, the Corporation has also issued to the Agents 554,253 non-transferrable compensation options (the “**Agents’ Compensation Options**”), which is equal to 7.0% of the number of Subscription Receipts sold pursuant to the Brokered Subscription Receipt Private Placement, provided that for President’s List purchasers the number of Agents’ Compensation Options was reduced to 3.5% of the Subscription Receipts sold to such purchasers. Each Agents’ Compensation Option is exercisable for the purchase of one Common Share (each, an “**ACO Share**”) at an exercise price of \$0.60 per Common Share (as defined herein) for a period of 24 months from the earlier of (i) the date on which the Escrow Release Conditions are satisfied, and (ii) the Escrow Release Deadline. The ACO Shares are qualified for distribution hereunder.
- (3) The commission on Subscription Receipts sold to purchasers not on the President’s List. The gross proceeds from purchasers not on the President’s List was \$3,501,504.
- (4) The commission on Subscription Receipts sold to purchasers on the President’s List. The gross proceeds from President’s List purchasers was \$2,498,496.
- (5) Pursuant to the terms of the Agency Agreement, the Corporation has agreed to pay a corporate finance fee (the “**Corporate Finance Fee**”) in the amount of \$100,000, plus HST, to the Lead Agent, with 50% of such fee, or \$56,500 (inclusive of HST) paid in cash on the Closing Date. The remaining 50% of the Corporate Finance Fee was deposited into escrow (the “**Escrowed Corporate Finance Fee**”) pursuant to the Subscription Receipt Agreement and forms part of the Escrowed Funds, and is payable to the Agents upon the satisfaction of the Escrow Release Conditions as follows: (i) 50% of the Escrowed Corporate Finance Fee, together with any interest accrued thereon and the HST payable on the Escrowed Corporate Finance Fee, shall be paid in cash, and (ii) the remaining 50% of the Escrowed Corporate Finance Fee, together with any interest accrued thereon, shall be paid and satisfied through the issuance of Common Shares (the “**Corporate Finance Fee Shares**”) at a deemed price equal to the Issue Price. The Corporate Finance Fee Shares are qualified for distribution hereunder. The Corporation also paid the Agents’ expenses of \$152,800 incurred in connection with the Brokered Subscription Receipt Private Placement up to the Closing Date. The balance of the Agents’ expenses will be paid by the Corporation upon the earlier of the satisfaction of the Escrow Release Conditions (as defined herein) and the occurrence of a Termination Event (as defined herein).

Each Subscription Receipt will be deemed exchanged, without payment of any additional consideration and without any further action by the holder, for one (1) Subscription Receipt Share on the satisfaction of the following escrow release conditions: (i) the Corporation obtaining a final receipt under Multilateral Instrument 11-102 – *Passport System* (“**MI 11-102**”) for the long-form prospectus qualifying the distribution of the Subscription Receipt Shares, the ACO Shares, and the Corporate Finance Fee Shares in the Qualifying Jurisdictions; (ii) the Corporation obtaining

conditional approval from the Exchange (as defined herein) to list the outstanding Common Shares, the Subscription Receipt Shares and the ACO Shares on the Exchange; and (iii) the Corporation and the Lead Agent, on behalf of the Agents, delivering a joint notice (the “**Release Notice**”) to the Subscription Receipt Agent confirming that the conditions set forth in (i) and (ii) above have been met (the foregoing being the “**Escrow Release Conditions**”). The Subscription Receipts and the conditions necessary for them to be exercised for Subscription Receipt Shares are described in more detail under the heading “*Plan of Distribution*” in this Prospectus. If the Escrow Release Conditions are not satisfied by September 29, 2022 (the “**Escrow Release Deadline**”), the subscription proceeds from the Subscription Receipt Private Placement will be returned to the holders without interest or deduction unless otherwise agreed to by the holders.

Concurrently with the filing of this Prospectus, the Corporation intends to apply to list its Common Shares, including the Subscription Receipt Shares, ACO Shares, and Corporate Finance Fee Shares, on the Exchange. Listing is subject to the Corporation fulfilling all of the listing requirements of the Exchange, including minimum listing requirements. There is no guarantee that the Exchange will provide approval for the listing of the Common Shares. The Common Shares have not been listed or quoted on any stock exchange or market.

Vitaly Golomb, a director of the Corporation, resides outside of Canada and has appointed the Corporation at its head 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.

An investment in the securities of the Corporation is highly speculative and involves significant risks. The risks outlined in this Prospectus should be carefully reviewed and considered by prospective purchasers in connection with an investment in such securities. See “*Risk Factors*”.

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide investors with information different from that contained in this Prospectus. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

The head office, mailing address, and registered office of Hypercharge is located at 310 - 1008 Homer Street Vancouver, BC V6B 2X1.

CONTENTS

FORWARD-LOOKING STATEMENTS	5
MARKET AND INDUSTRY DATA	6
CURRENCY	7
GLOSSARY	8
PROSPECTUS SUMMARY	13
CORPORATE STRUCTURE	15
BUSINESS OF THE CORPORATION	16
FUNDS AVAILABLE AND USE OF AVAILABLE FUNDS	28
DIVIDENDS	31
DESCRIPTION OF SECURITIES TO BE DISTRIBUTED	32
CONSOLIDATED CAPITALIZATION	32
OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES	34
PRIOR SALES	36
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER	38
PRINCIPAL SHAREHOLDERS	40
DIRECTORS AND OFFICERS	40
CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS	44
CONFLICTS OF INTEREST	45
CORPORATE GOVERNANCE	45
EXECUTIVE COMPENSATION	49
INDEBTEDNESS OF DIRECTORS AND OFFICERS	55
AUDIT COMMITTEE	56
PLAN OF DISTRIBUTION	57
RISK FACTORS	59
PROMOTERS	71
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	71
INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS	72
AUDITORS, TRANSFER AGENT AND REGISTRAR	72
MATERIAL CONTRACTS	72
EXPERTS	72
PURCHASERS' STATUTORY RIGHTS	72
CONTRACTUAL RIGHT OF RESCISSION	72
FINANCIAL STATEMENTS	73
Schedule "A" Audit Committee Charter	
Schedule "B" Financial Statements of the Corporation for the Years Ended August 31, 2021 and 2020 and the Period from September 5, 2018 (Incorporation) to August 31, 2019	
Schedule "C" Financial Statements of the Corporation for the Six Months Ended February 28, 2022	
Schedule "D" Management's Discussion and Analysis of the Corporation for the Years Ended August 31, 2021 and 2020 and the Period from September 5, 2018 (Incorporation) to August 31, 2019	
Schedule "E" Management's Discussion and Analysis of the Corporation for the Six Months Ended February 28, 2022	
Schedule "F" Board Mandate	
CERTIFICATE OF THE CORPORATION	C-1
CERTIFICATE OF THE PROMOTERS	C-2
CERTIFICATE OF THE AGENTS	C-3

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Prospectus, such statements use such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate" and other similar terminology. These statements reflect the Corporation's current expectations regarding future events and operating performance and speak only as of the date of this Prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under "Risk Factors". Although the forward-looking statements contained in this Prospectus are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. **These forward-looking statements are made as of the date of this Prospectus and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Corporation does not assume any obligation to update or revise them.**

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- expectations regarding industry trends, overall market growth rates and growth rates and development strategies;
- predictions regarding future commerce trends;
- results of operations, level of activity, future capital and other requirements and expenditures (including the amount, nature, and resources of funding thereof);
- potential business prospects and opportunities;
- potential marketing and distribution strategies;
- competitive position in its industry and its competitive advantages;
- compliance with legislative and regulatory requirements;
- director and executive compensation levels and plans;
- investment objectives and strategies;
- the proposed use of available funds;
- expectations regarding government regulations;
- the Corporation's ability to receive government subsidies and other incentives;
- dependence on personnel; and
- expectations regarding market prices and costs.

With respect to forward-looking statements contained in this Prospectus, the Corporation has made assumptions regarding, among other things:

- the Corporation's ability to generate revenue while controlling costs and expenses;
- the impact of increasing competition;
- the absence of material adverse changes in the industry or regulatory regimes;
- the Corporation's ability to attract and retain key personnel;
- the Corporation's ability to manage its growth effectively;
- trends in the Corporation's industry and markets;
- the Corporation's ability to keep pace with technological developments;
- the Corporation's ability to protect its intellectual property rights;
- the Corporation's continued compliance with relevant regulatory regimes;
- the Corporation's ability to raise sufficient financing to support continued growth; and
- the Corporation's ability to obtain additional financing on satisfactory terms or at all.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- the Corporation's limited history of operations;
- the Corporation has had negative cash flow from operating activities since inception;
- the Corporation is reliant on consumer adoption of electric vehicles;
- the Corporation is reliant on third-party manufacturers and suppliers;
- the Corporation faces significant competition;
- the Corporation may not be able to expand its sales and marketing capabilities;
- the Corporation's industry is subject to rapidly evolving technologies;
- the Corporation may be subject to growth-related risks;
- the Corporation may not achieve the expected benefit from any future acquisitions of businesses or assets;
- improvements to fuel economy standards may decrease demand for electric vehicles;
- the Corporation's products are subject to extensive regulation, which is subject to change;
- the Corporation is exposed to risks associated with the COVID-19 pandemic;
- the Corporation is heavily dependent on certain key members of senior management;
- the Corporation is exposed to certain technological risks, including those related to its mobile application;
- there are no consistent international standards applicable to electric vehicles;
- the Corporation may become subject to third-party intellectual property claims;
- the Corporation may not be able to adequately protect its intellectual property;
- there is currently no market through which any of the Corporation's securities may be sold;
- substantial additional financing may be required if the Corporation is to successfully develop its business;
- the Corporation's revenues are expected to be concentrated in a small number of customers;
- product defects may damage the Corporation's reputation;
- the Corporation may be subject to product liability claims;
- the availability of rebates, tax credits and other financial incentives related to EVs may change;
- the Corporation's internal market forecasts may prove to be inaccurate;
- the Corporation may be subject to supply chain disruptions;
- the Corporation is reliant on the consistent availability of electricity;
- the Corporation is subject to uninsured risks;
- the Corporation's reputation may be damaged due to inadequate product support;
- the Corporation may experience construction cost overruns and delays; and
- the Corporation's products may be subject to misuse or vandalism.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by Hypercharge management on the basis of its knowledge of and experience in the industry in which it operates (including management's estimates and assumptions relating to the industry based on that knowledge). Hypercharge believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Hypercharge or its management has independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

CURRENCY

All dollar amounts in this Prospectus are in Canadian dollars unless otherwise indicated, and all references to “\$” in this Prospectus are to Canadian dollars unless otherwise indicated.

GLOSSARY

When used in this Prospectus, the following terms have the following meanings ascribed thereto:

"ACO Shares" has the meaning set forth on the face page of this Prospectus;

"Advance Notice Policy" means the advance notice policy adopted by the Corporation pursuant to an amendment to the Corporation's articles on June 23, 2021;

"Agency Agreement" has the meaning set forth on the face page of this Prospectus;

"Agents' Cash Fee" has the meaning set forth on the face page of this Prospectus;

"Agents' Compensation Options" has the meaning set forth on the face page of this Prospectus;

"Agents" has the meaning set forth on the face page of this Prospectus;

"Awards" means, collectively, Options, RSUs, and PSUs;

"AWS" means Amazon Web Services;

"AXSO" means AXSO Inc.;

"AXSO Agreement" means the agreement between the Company and AXSO dated May 18, 2022 pursuant to which the Corporation licenses the AXSO Platform;

"AXSO Platform" has the meaning set forth on page 18 of this Prospectus;

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

"BC ZEV Act" means the *Zero-Emission Vehicles Act* (British Columbia);

"Bibby Employment Agreement" means the employment agreement between the Corporation and David Bibby, the Corporation's Chief Executive Officer, dated June 15, 2021, as amended on November 12, 2021;

"BNEF Report" means the 2022 Bloomberg New Energy Finance Electric Vehicle Outlook report;

"Board" or **"Board of Directors"** means the board of directors of the Corporation;

"Board Mandate" means the Board charter adopted on July 7, 2022;

"Business Day" means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia are not generally open for business;

"CaaS" means charging as a service;

"Closing Date" means June 1, 2022;

"Code" means the Board's written code of conduct adopted on June 24, 2021;

"Common Shares" means the common shares in the capital of the Corporation;

"Control" and related terms including **"controlling"** and **"controlled"**, shall mean the possession, directly or indirectly, by or on behalf of a person or group of persons acting jointly or in concert, of the following in respect of another person:

- (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having voting power for the election of directors of such corporation;
- (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and
- (iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

"Corporate Finance Fee" has the meaning set forth on the face page of this Prospectus;

"Corporate Finance Fee Shares" means the portion of the Corporate Finance Fee that is to be paid in Common Shares, at a deemed price per Common Share of \$0.60;

"Cosource" means Cosource Information Technology Services Inc., a wholly-owned subsidiary of the Corporation;

"COVID-19" has the meaning set forth on page 31 of this Prospectus;

"CPO" means a charge point operator;

"EGIA" means the *Electricity and Gas Inspection Act* (Canada);

"ERP" means Canada's Emissions Reduction Plan;

"Escrow Agent" means Odyssey Trust Company;

"Escrow Agreement" means the escrow agreement(s) to be entered into pursuant to NP 46-201 among the Escrowed Shareholders, the Corporation and the Escrow Agent;

"Escrowed Corporate Finance Fee" has the meaning set forth on the face page of this Prospectus;

"Escrowed Funds" means the gross proceeds from the Subscription Receipt Private Placement in the amount of \$6,000,000, less (i) 50% of the Agents' Cash Fee, (ii) 50% of the Corporate Finance Fee, and (iii) the expenses incurred by the Agents up to and on the Closing Date, which have been deposited with the Subscription Receipt Agent;

"Escrow Release Conditions" has the meaning set forth on the face page of this Prospectus;

"Escrow Release Deadline" means September 29, 2022;

"Escrow Securities" means those Common Shares required to be escrowed pursuant to NP 46-201;

"Escrowed Shareholders" means the Shareholders who are directors and/or officers of the Corporation, and the Shareholders who are the spouses of, and live at the same address as, the directors and/or officers of the Corporation;

"EV" means an electric vehicle;

"Exchange" means the NEO Exchange Inc.;

"Hypercharge" or the **"Corporation"** means Hypercharge Networks Corp., a corporation incorporated under the BCBCA, and, where the context requires, includes its wholly-owned Subsidiaries;

"Hypercharge Network" has the meaning set forth on page 16 of this Prospectus;

"IFRS" means International Financial Reporting Standards;

"iZEV" means Canada's Incentive for Zero-Emission Vehicles Program;

"Issue Price" means the price at which the Subscription Receipts were issued in the Subscription Receipt Private Placement, being \$0.60 per Subscription Receipt;

"JointTech" means Xiamen Joint Tech Co., Ltd.;

"JointTech Agreement" means the distribution agreement between the Corporation and JointTech dated October 18, 2021, as amended on March 9, 2022;

"JuiceBar" means Oasis Chargers Corporation dba JuiceBar;

"JuiceBar Reseller Agreement" means the reseller agreement between the Corporation and JuiceBar dated March 1, 2022;

"Lead Agent" has the meaning set forth on the face page of this Prospectus;

"Listing Date" means the date on which the Common Shares are listed on the Exchange;

"MI 11-102" means Multilateral Instrument 11-102 – *Passport System*;

"Mobile Apps" means mobile device applications;

"MURB" means multi-unit residential building;

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

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

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

"NI 52-110F1" means Form 52-110F1 – *Audit Committee Information Required in an AIF*;

"North King" means North King Capital Inc.;

"Notice Date" has the meaning set forth on page 49 of this Prospectus;

"OCP" means Open Charge Point Protocol;

"OKR" means the objectives and key results framework for strategic planning and execution;

"Omnibus Plan" means the Corporation's omnibus equity incentive plan approved by the Board on February 15, 2022;

"Options" mean incentive stock options to purchase Common Shares of the Corporation;

"Person" includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association and pronouns have a similarly extended meaning;

"PAC" means the Corporation's proprietary cloud-based service, "Plug and Charge";

"President's List" means the list, developed by the Corporation with the Lead Agent, of strategic investors, existing shareholders, family members, close personal friends and close business associates of directors and/or officers of the Corporation who participated in the Subscription Receipt Private Placement;

"Prospectus" means this preliminary long form prospectus;

"PSU" means a performance share unit of the Corporation granted pursuant to the Omnibus Plan;

"PubCo" means PubCo Reporting Solutions Inc.;

"PubCo Agreement" means the agreement between the Corporation and PubCo dated June 1, 2021;

"Qualifying Jurisdictions" means each of the Provinces of British Columbia, Alberta, Ontario and New Brunswick;

"Receipt" means a receipt for the final prospectus received by the Corporation under MI 11-102 to qualify the distribution of the Subscription Receipt Shares, the ACO Shares, and the Corporate Finance Fee Shares;

"Release Date" means the date on which the Escrowed Funds are released pursuant to the Subscription Receipt Agreement;

"Release Notice" has the meaning set forth on the face page of this Prospectus;

"RSU" means a restricted share unit of the Corporation granted pursuant to the Omnibus Plan;

"Salesforce Platform" means the Salesforce Lightning Platform;

"Securities Act" means the *Securities Act* (British Columbia), as amended;

"Shareholder" means a holder of Common Shares;

"Spark" means Spark Charging Solutions Inc., a wholly-owned Subsidiary of the Corporation;

"Subsidiary" has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned by Hypercharge);

"Subscription Receipts" means the subscription receipts issued by the Corporation at an issue price of \$0.60 per Subscription Receipt, pursuant to the Subscription Receipt Private Placement;

"Subscription Receipt Agent" means Odyssey Trust Company, in its capacity as escrow agent in connection with the Subscription Receipt Private Placement;

"Subscription Receipt Agreement" means the subscription receipt agreement dated June 1, 2022 among the Corporation, the Lead Agent and the Subscription Receipt Agent;

"Subscription Receipt Private Placement" means the non-brokered private placement of 10,000,000 Subscription Receipts completed on June 1, 2022 at the Issue Price;

"Subscription Receipt Shares" means the Common Shares to be issued upon the deemed exercise or exchange of the Subscription Receipts upon satisfaction of the Escrow Release Conditions;

"Target Park" means Target Park Group Inc.;

"Target Park Agreement" means the collaboration agreement dated August 5, 2021, as amended on November 15, 2021 between the Corporation and Target Park;

"Termination Event" means either if (i) the Escrow Release Conditions are not satisfied prior to the Escrow Release Deadline; or (ii) prior to the Escrow Release Deadline the Corporation advises the Lead Agent or announces to the public that it does not intend to satisfy any of the Escrow Release Conditions;

"U.S." means the United States of America;

"U.S. Securities Act" means the United States *Securities Act of 1933*, as amended;

"ZEV" means zero-emission vehicle; and

"ZEVIP" means Canada's Zero Emission Vehicle Infrastructure Program.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the distribution of the Subscription Receipt Shares, the ACO Shares, and the Corporate Finance Fee Shares and should be read together with the more detailed information and financial data and statements appearing elsewhere in this Prospectus. Certain capitalized terms used but not defined in this summary are defined elsewhere in this Prospectus.

The Corporation The Corporation was incorporated under the BCBCA on September 5, 2018, under the name 1178406 B.C. Ltd. On June 24, 2019, the Corporation changed its name to “Cliffwood Capital Corp.” On March 10, 2021, the Corporation changed its name to Hypercharge Networks Corp.

Since June 2021, the Corporation has operated as a turnkey electric vehicle (“EV”) charging solutions provider, supplying seamless, simple charging experiences through industry leading equipment, strategic partnerships and acquisitions, and a robust network of public and private charging stations. See “*Business of the Corporation – Description of Business*”.

Directors and Officers	David Bibby	Chief Executive Officer and Director
	Kara James	Chief Financial Officer
	Bronson Peever	Director
	Liam Firus	Director
	Shahab Samimi	Director
	Vitaly Golomb	Director
	Diana Mark	Corporate Secretary

See “*Directors and Officers*”.

The Subscription Receipt Private Placement Pursuant to the Subscription Receipt Private Placement, the Corporation issued 10,000,000 Subscription Receipts for gross proceeds of \$6,000,000. Each Subscription Receipt will be automatically exchanged for one (1) Subscription Receipt Share upon satisfaction of the Escrow Release Conditions. The Escrowed Funds have been deposited into escrow pursuant to the Subscription Receipt Agreement and will be released upon satisfaction of the Escrow Release Conditions. The Corporation has issued an aggregate of 554,253 Agents’ Compensation Options in connection with the Subscription Receipt Private Placement. See “*Plan of Distribution*” and “*Description of Securities Distributed*”.

Qualification for Distribution In addition to the Subscription Receipt Shares, this Prospectus also qualifies the ACO Shares and the Corporate Finance Fee Shares. See “*Plan of Distribution*”.

Use of Available Funds As at June 30, 2022, the Corporation had working capital of \$2,754,096, excluding restricted cash attributable to the proceeds of the Subscription Receipt Private Placement. Assuming satisfaction of the Escrow Release Conditions, the estimated funds available to the Corporation will be \$8,180,744, after deducting the Agents’ Cash Fee of \$332,552, the Agents’ expenses incurred as of the Closing Date of \$152,800, and the cash portion of the Corporate Finance Fee of \$88,000 (inclusive of HST).

The Corporation intends to use its available funds for salaries and consulting fees, research and development, capital expenditures, general, administrative, and other costs, and for general working capital purposes. See "*Funds Available and Use of Available Funds*".

Risk Factors

An investment in the Corporation is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Corporation, including risks related to:

- the Corporation's limited history of operations;
- the Corporation has had negative cash flow from operating activities since inception;
- the Corporation is reliant on consumer adoption of electric vehicles;
- the Corporation is reliant on third-party manufacturers and suppliers;
- the Corporation faces significant competition;
- the Corporation may not be able to expand its sales and marketing capabilities;
- the Corporation's industry is subject to rapidly evolving technologies;
- the Corporation may be subject to growth-related risks;
- the Corporation may not achieve the expected benefit from any future acquisitions of businesses or assets;
- improvements to fuel economy standards may decrease demand for electric vehicles;
- the Corporation's products are subject to extensive regulation, which is subject to change;
- the Corporation is exposed to risks associated with the COVID-19 pandemic;
- the Corporation is heavily dependent on certain key members of senior management;
- the Corporation is exposed to certain technological risks, including those related to its mobile application;
- there are no consistent international standards applicable to electric vehicles;
- the Corporation may become subject to third-party intellectual property claims;
- the Corporation may not be able to adequately protect its intellectual property;
- there is currently no market through which any of the Corporation's securities may be sold; and
- substantial additional financing may be required if the Corporation is to successfully develop its business.

These risk factors, together with all of the other information contained in this Prospectus, including information contained in the section entitled "*Forward-Looking Statements*" should be carefully reviewed and considered before an investment in the Common Shares is made. Prospective investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. See "*Risk Factors*" for further details.

Selected Financial Information of the Corporation

The following tables set forth summary information for Hypercharge for the fiscal years ended August 31, 2021 and 2020, the fiscal period from September 5, 2018 (incorporation) to August 31, 2019, and the six-month period ended February 28, 2022. This information has been summarized from the Corporation's audited consolidated financial statements for the fiscal years ended August 31, 2021 and 2020 and the fiscal period from September 5, 2018 (incorporation) to August 31, 2019, and the Corporation's unaudited consolidated financial statements for the six months ended February 28, 2022. This summary financial information should only be read in conjunction with the

financial statements of Hypercharge, including the notes thereto, included elsewhere in this Prospectus. See "Management's Discussion and Analysis" and "Financial Statements".

	As at and for the six months ended February 28, 2022 (\$) (unaudited)	As at and for the year ended August 31, 2021 (\$) (audited)	As at and for the year ended August 31, 2020 (\$) (audited)	As at August 31, 2019 and for the period from September 5, 2018 to August 31, 2019 (\$) (audited)
Revenue	44,302	Nil	Nil	Nil
Total Expenses	1,891,009	871,627	55,443	26,548
Net loss for the period	(3,755,769)	(878,041)	(53,421)	(26,548)
Loss per share (basic and diluted)	(0.09)	(0.06)	(0.01)	(0.02)
Current Assets	5,090,830	3,244,767	160,420	183,573
Total Assets	7,526,381	3,284,170	160,420	183,573
Current Liabilities	869,957	1,037,275	18,438	7,620
Long Term Debt	Nil	Nil	Nil	Nil
Shareholders' Equity	6,474,148	2,246,895	141,982	175,953

CORPORATE STRUCTURE

Name and Incorporation

The Corporation was incorporated under the BCBCA on September 5, 2018, under the name 1178406 B.C. Ltd. On June 24, 2019, the Corporation changed its name to "Cliffwood Capital Corp." On March 10, 2021, the Corporation changed its name to Hypercharge Networks Corp., and in June 2021, the Corporation commenced operations as a turnkey electric vehicle (EV) charging solutions provider.

The head and registered office of Hypercharge is located at #310 – 1008 Homer Street, Vancouver, BC V6B 2X1.

Inter-corporate Relationships

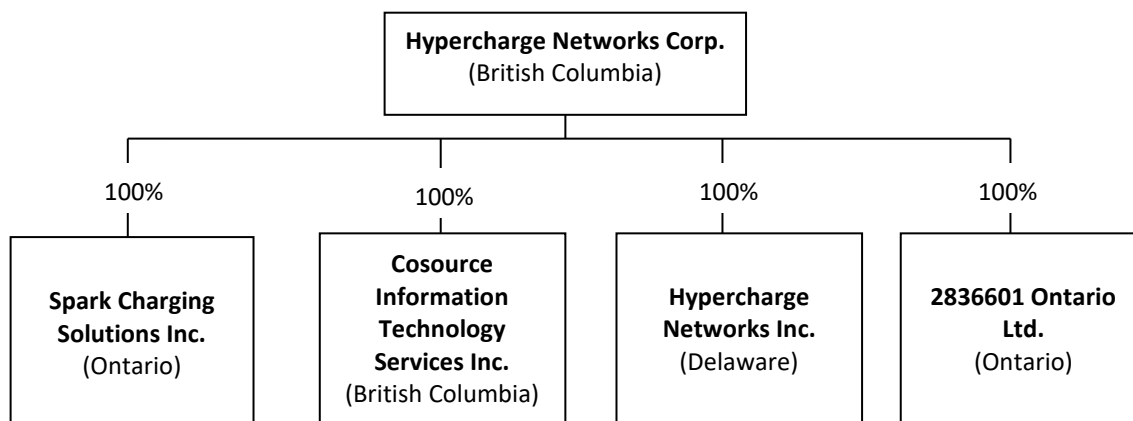
On November 1, 2021, the Corporation acquired all of the issued and outstanding shares of Spark Charging Solutions Inc. ("Spark"), an Ontario corporation, pursuant to a share exchange agreement among the Corporation, Spark, and the shareholders of Spark dated November 1, 2021. Spark supplies and installs EV charging stations across Canada and holds Canadian distribution rights to all charging stations manufactured by Oasis Charger Corporation, a company based in Connecticut, USA.

2836601 Ontario Ltd. is a wholly-owned subsidiary of the Corporation, which was incorporated in Ontario in 2021 in connection with the acquisition of Spark.

Hypercharge Networks Inc. is a wholly-owned subsidiary of the Corporation, which was incorporated in Delaware on March 15, 2022 to facilitate the Corporation's U.S. expansion.

On May 13, 2022, the Corporation acquired all of the issued and outstanding shares of Cosource Information Technology Services Inc. ("Cosome"), a British Columbia corporation, pursuant to a share exchange agreement among the Corporation, Cosource, and the shareholders of Cosource dated April 22, 2022. Founded in 2012, CoSource is a full-service digital agency specializing in digital strategy, full-service marketing and software product development. CoSource has developed an integration framework specifically for the emerging EV charging ecosystem to streamline the customer experience and simplify EV adoption.

An organizational chart of Hypercharge, setting out its intercorporate relationships is as follows:



BUSINESS OF THE CORPORATION

Summary

Hypercharge is a provider of integrated EV charging hardware and networked software, providing smart EV charging solutions to help its partners grow their business, and accelerating the adoption of electric vehicles and the shift towards a carbon neutral economy. Hypercharge is on a mission to accelerate EV adoption by providing seamless, simple EV charging experiences through industry-leading equipment and a robust network of public and private charging stations. Further, the Corporation's aim is to unlock significant value for its partners by analyzing data and providing insights, growing dwell time and revenues in commercial settings, increasing loyalty and raising brand awareness.

Hypercharge offers residential and commercial EV charging equipment and services, enabling EV drivers to recharge at various location types. Hypercharge also provides a proprietary cloud-based platform (the "**Hypercharge Network**") that operates, maintains, and manages Hypercharge charging stations and handles associated charging data, back-end operations, and payment processing. The Hypercharge Network is designed to provide property owners, managers, parking companies, and municipal entities, among other types of commercial customers, with cloud-based services that enable the remote monitoring and management of EV charging stations. The Hypercharge Network also provides EV drivers with station information, including station location, availability, and applicable fees.

Hypercharge's target verticals are businesses operating in the multi-unit residential building ("**MURB**"), retail and commercial parking, and fleet space. To date, the Corporation's customers have been comprised of 46% MURBs, 45% public or retail parking providers, 5% fleet operators and 4% other.

Principal Products and Services

a. Hardware and Warranty

Hypercharge's hardware offerings include Level 2 chargers and Level 3 chargers (also known as "direct current fast-chargers"). Level 2 charging stations use a 240 Volt outlet (similar to a kitchen stove) and add approximately 30 km of range per hour charged. They are the most common chargers currently on the market due to compatibility with the highest number of EV cars on the road. Hypercharge's chargers are compatible with almost all consumer EVs available in the North American market, with the exception of Tesla vehicles which are compatible only with use of an adapter, which is widely available.

Hypercharge sources its EV chargers through several third-party suppliers, described below.

Hypercharge has entered into a reseller agreement with US-based Oasis Chargers Corporation dba JuiceBar (“**JuiceBar**”) dated March 1, 2022 (the “**JuiceBar Reseller Agreement**”) for the distribution of the JuiceBar Gen 3 420 Series (Figure 1), a dual port level 2 charger with 40, 48, and 80 amp options. The JuiceBar Reseller Agreement has an initial term of three years, which may be automatically renewed for successive two-year terms unless otherwise terminated by either party. In addition to JuiceBar’s durability and heavy-duty amperage range, the model offers short lead times and meets both Canadian certification and “made in the USA” requirements. The Corporation currently has sufficient inventory of JuiceBar’s EV chargers to satisfy anticipated demand for the near-term. Lead time for the delivery of JuiceBar’s products is approximately 6 weeks.



Figure 1: Hypercharge JuiceBar Gen 3 Series



Figure 2: Hypercharge JNT-EVC10

In addition, Hypercharge has entered into a distribution agreement with China-based Xiamen Joint Tech Co., Ltd. (“**JointTech**”) dated October 18, 2021 (the “**JointTech Agreement**”), pursuant to which Hypercharge has been appointed, for a term of three years, as the exclusive Canadian reseller of JointTech’s latest Level 2 model, the EVC11, a 36 Amp charger ideal for multi-unit residential applications. Hypercharge also distributes the Hypercharge-branded JNT-EVC10 (Figure 2), a small wall or pedestal mounted unit which adapts to specific electrical requirements between 32-48 amps. The Corporation currently has adequate inventory of JointTech’s EV chargers to satisfy anticipated demand for the near- to medium-term.

Level 3 chargers use a 480 Volt system and, in many cases, a driver can charge an EV’s battery to 80% in 30 minutes, depending on the battery size and starting level of charge. Hypercharge is a reseller of the Terra 54 and Terra 124 Level 3 chargers produced by ABB Ltd., which are significantly larger in size and more expensive than the Level 2 chargers (Figure 3). ABB Ltd. is a publicly listed Swedish-Swiss multinational corporation headquartered in Zürich. All ABB chargers sold by the Corporation are branded with the Hypercharge logo.



Figure 3: Hypercharge Level 3 DC Fast Chargers

All units sold by Hypercharge are fully Open Charge Point Protocol (“**OCPP**”) compliant. OCPP is a communication standard which allows EV charging stations and central management systems from different vendors to communicate with each other. This allows the charging station owner to switch to another OCPP-based network if desired, and future-proofs against hardware and software obsolescence.

As part of its charger purchase, customers can purchase an extended warranty that covers parts and labour and includes a 95% uptime guarantee, contributing to a hassle-free experience. Services related to installation and maintenance of Hypercharge EV charging products are predominantly provided directly by the Corporation’s employees. In some cases, third-party electrical contractors will be contracted for installations.

b. Software and Support

Hypercharge’s cloud-based software platform encompasses the following major components, which are discussed in more detail below: (i) a “back end” cloud-based charger management platform; (ii) a mobile apps for iOS and Android designed to make it easy for a driver to manage their account and charge their vehicle(s); (iii) a Salesforce Lightning integration to help manage customers’ omni-channel experience; (iv) an integration with ChargeHub to facilitate roaming; and (v) Plug-And-Charge, Hypercharge’s proprietary cloud service designed to extend access to

the Hypercharge network into third-party apps' user interfaces, such as allowing the purchase of charging from within parking apps or building management apps.

(i) "Back end" Cloud-Based Charger Management Platform:

Pursuant to an agreement with AXSO Inc. ("**AXSO**"), dated May 18, 2022 (the "**AXSO Agreement**"), Hypercharge licenses and operates an AXSO Platform Solution (the "**AXSO Platform**"), running in AWS, to manage its network of charging stations. AXSO is a wholly-owned subsidiary of Hydro Quebec, and is a Quebec-based developer of software solutions for the EV charging industry.

The AXSO Platform underpins Hypercharge's network management and was developed by, and is proprietary to, AXSO, with customizations to such software made on a proprietary basis for Hypercharge's business under the AXSO Agreement. At the end of the two-year term of the current AXSO Agreement, the Corporation has the right to acquire a license to the proprietary source code of the AXSO Platform, on a limited, non-exclusive, perpetual, royalty free basis, allowing the Corporation to further develop its charger management infrastructure beyond the AXSO Agreement.

The AXSO Platform facilitates setup, pricing and rate changes, remote monitoring, data analytics, energy management such as circuit load-sharing, and funds flow.

(ii) Mobile Apps for iOS and Android:

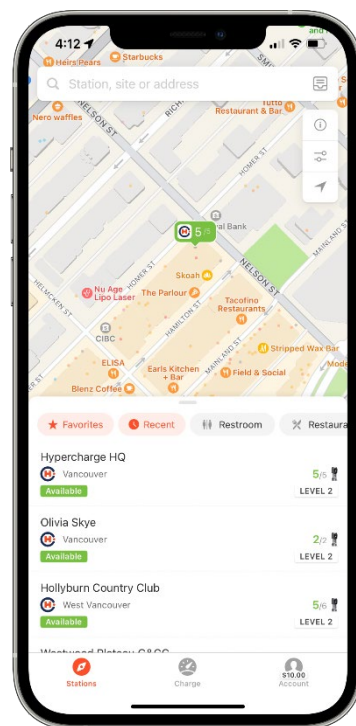
The AXSO Agreement includes a license to Hypercharge for Hypercharge-branded proprietary mobile device applications ("**Mobile Apps**") compatible with current and recent versions of Apple's iOS operating system for iPhones and iPads, and compatible with current and recent versions of Google's Android operating system for mobile phones and tablets.

The Hypercharge Mobile Apps provide EV drivers with an interface on their phone or tablet to manage their charging sessions with Hypercharge chargers, manage their charging sessions with chargers operated by roaming partners, and manage their personal account details such as credit cards for payment, address, contact information, and end user license agreement management.

(iii) Hypercharge Salesforce Lightning Platform:

Pursuant to an agreement dated October 15, 2021, Hypercharge licenses the Salesforce Lightning Platform ("**Salesforce Platform**") and has built and integrated customized, proprietary data access points between the AXSO Platform and the Salesforce Platform such that the Salesforce Platform serves as a gateway between charger site owners and Hypercharge, where site owner data, such as gross revenue, charging sessions completed, energy used, and carbon credits generated, can all be displayed in a secure fashion at the site owner's discretion.

Hypercharge has further customized the Salesforce Platform to assist with EV driver customer support requirements. The Salesforce Platform provides an "Omnichannel" support model where EV drivers can connect with Hypercharge Support Personnel via "chat", 1-800 phone calls, email, or SMS messaging.



Hypercharge Mobile Application

(iv) An Integration with ChargeHub to Facilitate Roaming:

Hypercharge's AXSO Platform includes all necessary code to integrate into ChargeHub, an international Charge Point Operator ("CPO") roaming system. ChargeHub allows an end user of any participating CPO to roam onto another CPO's network and use one of their chargers from the end user's native CPO account.

Hypercharge, through a roaming agreement with Mogile Technologies Inc., the developer of ChargeHub, dated June 27, 2022, then extends its own end users the right to charge on many different CPO chargers across North America and vice versa - end users of other CPOs can roam onto Hypercharge chargers and complete charging from their native CPO app. ChargeHub is the leading aggregator of CPOs and charging stations in North America.

(v) Plug and Charge: Hypercharge's Proprietary Middleware:

Through the acquisition of CoSource, the Corporation has acquired an early-stage proprietary cloud-based service known as "Plug and Charge" ("PAC").

Once operational, PAC will allow Hypercharge to extend the AXSO Platform functionality to third-party apps, such as parking apps or fleet apps, such that an end user of a third-party app can purchase or manage charging on Hypercharge charging stations without having to use the Hypercharge Mobile App. PAC also facilitates the delivery of critical information to authorized users of third-party platforms, such as charging session data consumed by third-party fleet applications, to calculate, among other things, the next time a vehicle will need to be charged, the ideal location of a charging station relative to the fleet vehicle's current route and current driving conditions.

c. *Other Services*

Other services provided by Hypercharge consist of site planning (establishing a future-proofed plan to allow for expansion when the time comes to add more chargers) and installation (utilizing a team of experts to fully install chargers). Operations (remote operation of stations, including respecting access rules, pricing, user administration and administration), and customer support (both remote and on-site) is offered with a subscription to Hypercharge's software platform.

Sales

Sales Models

Hypercharge provides flexible ownership options to fit every customer's needs. Three tailored business models include the Direct Purchase model (with management included), a Flexi Lease model to reduce upfront costs, and a turnkey Charging as a Service ("Caas") solution. Finally, Hypercharge offers site hosts white labeling options for its software and custom branding for its hardware if desired.

With the Direct Purchase model, a customer purchases the charger outright and pays a monthly subscription fee for software and related services. The customer retains all of the associated net charging revenues in this scenario. To date, the Direct Purchase model has been the most popular with Hypercharge's customers, making up 83% of total sales, as customers are often only eligible to receive government incentives provided units are purchased outright. See "*Business of the Corporation – Regulatory Environment and Incentives – Government Incentives*".

With the Flexi Lease Model, a customer finances the cost of the charger (and potentially the installation cost), paying a fixed monthly fee including a monthly subscription fee. A customer retains all of the associated net charging revenues on the leased unit and owns the charger at the end of the lease term. To date, the Flexi Lease Model has made up 15% of the Corporation's total sales.

Finally, with the CaaS offering, a customer pays a monthly subscription fee while Hypercharge retains ownership of the charger. Depending on the agreement, a customer can earn a portion of the net charging revenues. To date, the CaaS model has made up 2% of the Corporation's sales.

Sales Strategy

Hypercharge's sales strategy leverages multiple sales channels. The Corporation has direct sales teams in Western and Eastern Canada, and also works with various sales partners, including (i) installation partners and electrical contractors (**ECs**), (ii) affiliate partners, and (iii) Target Park, with whom the Corporation has a strategic partnership. Approximately 50% of all sales to date have been sourced through partners, while the other 50% of sales have been secured directly.

ECs have pre-existing relationships with potential customers and site host owners. In many cases, ECs have developed, qualified, and defined the opportunity. The ECs then utilize Hypercharge products and services for bids or current jobs they are working on.

Affiliate partners are typically individuals and business with expansive networks and strong relationships within their local business communities. Once an affiliate partner provides Hypercharge with an introduction to a potential customer, Hypercharge then works directly to execute the sale.

Pursuant to a collaboration agreement (the "**Target Park Agreement**") dated August 5, 2021, between the Corporation and Target Park Group Inc. ("**Target Park**"), a Toronto-based parking operator that manages over 30,000 parking spots in North America, Target Park has committed to deploying 2,500 Hypercharge chargers over a 3-year period. See "*Business of the Corporation – History*".

Marketing

Hypercharge operates an omni-channel marketing strategy split between B2B for its property partners, and B2C for electric vehicle drivers using the Hypercharge network. Promotional channels currently utilized include both paid and organic social media, pay-per-click (PPC)—primarily search advertising—and search engine optimization (SEO), content marketing, print flyers, webinars, press releases, and landing pages. Planned channels for future promotional activities include events and video.

In addition to promotional activities, Hypercharge's marketing department provides sales support in the form of presentations, full graphic design mock-ups, proposal design, and other materials as needed.

Completed Activities

As Hypercharge's dedicated marketing function launched in November 2021, completed activities have centered around brand preparedness, marketing material creation, press releases, specification sheets, presentations, and content for product offering.

Ongoing Activities

Hypercharge is currently coordinating a subtle refresh of its branding, refining core principles and appearance. The Corporation's logo has been reimagined, and its corporate colours have been subtly muted. To coincide with this new brand, Marketing is coordinating a new website, as well as updated presentations, sales collateral, brand placement in software and hardware, social media profiles, invoices, legal documents, and sponsorship placements.

Anticipated Activities

With Hypercharge's rapidly growing network, the Corporation anticipates growth in its marketing department's activities to increase brand awareness to potential property partners and drivers alike through advertising, brand management, and inbound generating content marketing.

Industry Overview

The EV charging market is closely tied to the general market for EVs, which has experienced significant growth in recent years. According to a report of the International Energy Agency, sales of EVs doubled in 2021 from the previous year to a new record of 6.6 million worldwide. Pursuant to the same report, in 2012, just 120,000 electric cars were sold worldwide, while in 2021, more than that many were sold each week.

Most major manufacturers of passenger cars, trucks of all sizes, buses and industrial vehicles have committed to electrification, and governments have made it clear from both policy and funding perspectives that the future of transportation is electric. For example, according to the 2022 Bloomberg New Energy Finance Electric Vehicle Outlook (the "**BNEF Report**"), passenger EV sales are expected to increase from 6.6 million worldwide in 2021 to 20.6 million in 2025, representing around 23% of new passenger vehicle sales in 2025, up from just under 10% in 2021. Factors driving this shift include rising policy support in core auto markets (including by way of financial incentives), new battery technologies and lower expected costs, accelerated investment in charging infrastructure, and rising consumer adoption.

This trend has been seen in Canada as well, where, according to IHS Markit, EVs accounted for 5.6% of light-duty vehicles sales in Canada in 2021 (up from 3.8% in 2020 and 3.1% in 2019). In Canada, EVs made up almost one tenth of new vehicle registrations in the first quarter of 2022, representing an increase of almost 30% from the prior quarter. The current growth in Canada appears to be primarily driven by battery electric vehicles, with registrations for plug-in-hybrids falling over recent periods. However, zero-emission vehicle ("**ZEV**") uptake varies greatly by jurisdiction, with almost all new EVs sold in Canada in 2021 being sold in British Columbia, Ontario, and Quebec.

With these trends, the demand for charging infrastructure is experiencing rapid growth. Globally, governments are supporting the development of charging infrastructure through financial incentives, grants, tax credits and low interest loans as well as streamlining the permitting and approval process in efforts to increase infrastructure investment. The BNEF Report projects that cumulative EV charging infrastructure investment worldwide will be between US \$1 trillion and US \$1.4 trillion between 2022 and 2040. In a report published by McKinsey & Company, the primary concern of customers when it comes to EV adoption is the adequacy of charging infrastructure. Therefore, to keep up with the increased demand for EVs, the network of publicly accessible EV chargers will need to be expanded. According to the BNEF Report, this is particularly the case in the U.S., where it estimates that a six-fold increase in average annual public charging installations will be required over the next four years from those in 2021 to meet the anticipated demand for EVs. Similarly, the International Energy Agency estimates that charging infrastructure needs to increase more than twelve-fold worldwide by 2030 to support the projected growth of EVs, adding 22 million charging points annually.

Specialized Skill and Knowledge

Hypercharge and its operations depend on key management as well as experienced and capable personnel in the areas of technology – specifically, cloud-based operations platforms and services, electrical wiring and engineering, supply chain management, and customer support functions.

Hypercharge's team members have scaled both technology-based and EV charging businesses in the past. The individuals below are leading the overall direction of the Corporation with regard to the rollout of new and existing products and services. In addition to these team members, Hypercharge plans to expand its sales and marketing team imminently and its software engineering team, field operations, and customer support functions in the near to medium term.

Leadership

David Bibby, President & CEO

David Bibby is a seasoned executive with 25+ years' experience building and scaling technology businesses across several industries. Most recently as a cofounder of Finning Digital and the Head of Global Digital Services at the world's largest Caterpillar dealer, Finning International, Mr. Bibby was accountable for launching and scaling a multinational eCommerce business and developing an award-winning SaaS platform, CUBIQ Performance Solutions.

Kara James, Chief Financial Officer

Kara James is a CPA, CA with 20+ years' experience. Ms. James's career began in public accounting with KPMG. After leaving public accounting, most of her career was spent in various CFO roles for Sysco Canada Food Service, the global leader in selling, marketing, and distributing food products, where she worked closely with leadership teams to develop and drive strategic performance. Ms. James is on the board of directors of Kelowna Women in Business and the Kelowna Art Gallery. She was a business mentor for Entrepreneurship@UBC – Okanagan Campus, is a member of the Ellis Place Supportive Housing Community Advisory Committee and is a term professor at the Okanagan School of Business.

Sion Jones, Head of Deployment, Design, & Engineering

Sion Jones is the original founder and President of Spark Charging Solutions. With over 20 years' experience as a Master Electrician, Mr. Jones is a pioneer who carries a true passion for innovation to make the planet a better place. With this as a mission statement, he founded Spark in 2016 with a vision of bringing convenient, reliable and safe EV charging solutions to the Canadian market.

Rob Boyko, Head of Product

Rob Boyko serves as Hypercharge's Head of Product. Mr. Boyko brings more than 25 years of systems product development and product management experience to Hypercharge, including inventing and leading commercialization of what became the Blackberry Enterprise Server and developing the prototype shared with Daimler AG which evolved into the car2go car sharing in-vehicle hardware and networking standard. At Hypercharge, Mr. Boyko's role is to listen to the customers', end users', and stakeholders' needs for the Hypercharge Network and to translate that information into industry-leading hardware and software solutions.

Chris Koch, Sales & Growth

Chris Koch brings over 15 years of senior sales leadership to HyperCharge. Working in early-stage and high-growth businesses like 1-800-GOT-JUNK?, Hootsuite, and Vidyard, Mr. Koch has recruited and led high performance sales teams, delivering maximum value to clients and to the business. By cultivating strong partnerships, and creating a culture of excellence, Mr. Koch has been able to deliver incremental growth on a consistent basis.

Mohit Bhatnagar, Customer Solutions Manager, EV Charging Operations

Mohit Bhatnagar is a professional mechanical engineer with a proven track record of delivering customer solutions using technology and innovation. In his previous role as Condition Monitoring Manager at Finning International, he built the condition monitoring program at Finning Canada and managed a team operating 24/7 working across two continents. At Hypercharge, Mr. Bhatnagar leads the customer solutions team. His team provides 24/7 omni-channel customer support.

Competitive Conditions

The EV charging equipment and service market is competitive, and Hypercharge expects the market to become increasingly competitive as new entrants come into this quickly growing market. Hypercharge's products and services compete on product performance and features, the total cost of ownership, sales capabilities, financial stability, brand recognition, product reliability, and size of the installed base. Hypercharge's products are competitively priced compared to comparable offerings on the market. Additionally, the OCPP compatibility of Hypercharge's products, its cloud-based "Plug and Charge" service, and the flexible ownership models are key differentiators for the Corporation.

Relative to the U.S. market, Hypercharge views the Canadian market as more fragmented with fewer well-established players. In Canada, Hypercharge's main competitors are Flo, Chargepoint, and SWITCH Energy in the MURB market. The U.S. market, which Hypercharge plans to enter in the next 12 months, has more established players, with the market leader being Chargepoint, followed by Blink, EVgo, and Volta. Finally, while Tesla offers EV charging services, the connector type offered by Tesla currently restricts such chargers to Tesla vehicles only.

Hypercharge's competitive advantage includes making EV charging a frictionless experience with flexible business models and strong aftermarket and customer service. In the Canadian market, Hypercharge plans to capture significant market share through its local presence and strategic partnerships.

Below is a summary of the Corporation's main competitors:

ChargePoint Holdings, Inc. - Headquartered in California and publicly listed with revenues of US\$242M, ChargePoint manufactures EV charging equipment and operates the ChargePoint Network for commercial, fleet and residential customers. The company has 188,000 activated ports under management as of April 30, 2022.

Blink Charging Co. - Headquartered in Florida and publicly listed with revenues of US\$21M in the last year. Blink owns, operates, and provides EV charging equipment and networked EV charging services in the U.S. and internationally for commercial and residential customers. The company has deployed over 30,000 charging ports across 19 countries, many of which are networked EV charging stations.

EVgo, Inc. - Headquartered in Los Angeles and publicly listed with revenues of US\$22M in the last year, EVgo owns and operates a direct current fast charging network in the U.S. The company offers: electricity directly to drivers who access its publicly available networked chargers; original equipment manufacturer charging and related services; fleet and rideshare public charging services; and charging as a service and fleet dedicated charging services. With more than 850 charging locations, EVgo's owned and operated charging network serves over 60 metropolitan areas across more than 30 states and approximately 375,000 customer accounts.

Volta Inc. - San Francisco-based and publicly listed with annual revenue of US\$32M last year, Volta operates a network of smart media-enabled charging stations for electric vehicles in the U.S. Volta enables additional advertising exposure to partners via the use of LED screens on their charging stations, which provides a differentiator from the market that allows for further revenue streams.

Flo Energy - Privately held and headquartered in Quebec City, Flo offers smart home charging solutions for both single-family houses and MURBs, as well as access to thousands of public charging stations across the U.S. and Canada. Flo has announced the deployment of 50,000+ EV charging stations and delivered 1,000+ DC fast charging stations.

SwthEnergy - Toronto-based and privately held, SwthEnergy provides EV charging accessibility in urban multi-tenant settings. SWITCH Energy Inc. has recently closed US\$13 million in new financing to expand its EV charging solutions to multi-family buildings across North America, with an emphasis on serving the transition to electrified transportation for market-rate and low-to-moderate income (LMI) communities.

Intangibles and Intellectual Property

Hypercharge holds registered trademarks in both Canada and the U.S. for its company name, "HYPERCHARGE" (as Standard Characters/Standard Character Mark) and "HYPERCHARGE GO FURTHER WITH CONFIDENCE" (as Design/Design plus Words, Letters, and/or Numbers).

A third-party registration of the same name is "HYPERCHARGE" (as a Standard Character Mark), registered but currently unused, as a trademark of Hong Kong-based Linear Flux Company Limited, for primary use as a product name for a range of cellular phone battery chargers.

Additional uses of the name, both identical and similar, but not formally registered include "HYPERCHARGE: Unboxed", a video game published by Digital Cybercherries, "Xiaomi HyperCharge", a cell phone sold by Chinese technology company Xiaomi Inc., and "Ola Hypercharger Network", an Indian electric scooter charging network operated by Ola Electric Mobility Pvt Ltd.

The Corporation does not own the intellectual property in the underlying technologies of its EV chargers or software platform. See *"Business of the Corporation – Principal Products and Services"*.

Economic Dependence

The Corporation is currently substantially dependent on the AXSO Agreement for the development and management of the Corporation's software platform. See *"Business of the Corporation – Principal Products and Services"*. If the AXSO Agreement is terminated, or if AXSO is unable or unwilling to continue to develop and manage the Corporation's software platform, the Corporation would need to identify another platform provider. The Corporation estimates it would take between three and six months to transition to a new platform provider.

The Corporation is also currently dependent on its agreements with JuiceBar and JointTech for the supply of the Corporation's EV chargers. However, the Corporation believes it would be able to identify and onboard a new supplier of its EV chargers without material disruption to its operations if either JuiceBar or JointTech were unable or unwilling to continue to supply the Corporation's EV chargers.

Cycles

The sales of vehicles in the automotive industry can be cyclical, which may affect growth in acceptance of EVs. It is uncertain how macroeconomic factors will impact demand for EVs, particularly since they can be more expensive than traditional gasoline-powered vehicles. Furthermore, because fleet operators often make large purchases of EVs, this cyclicity and volatility in the automotive industry may be more pronounced with commercial purchasers. However, all things considered, the EV charging industry is in its early stages of growth and environmental concerns, a societal shift to a greener economy, government mandates, and higher fuel prices support a more secular growth trend.

Employees

As of the date of this Prospectus, the Corporation has eighteen (18) personnel, composed of (i) eleven (11) full-time employees, (ii) one (1) part-time employee, and (iii) six (6) consultants who assist the Corporation on a regular basis.

Foreign Operations

The Corporation plans to launch sales of its products across Canada and the U.S., focusing initially on the Canadian market. The Corporation does not currently have foreign operations, but its products are produced by third-party manufacturers in the U.S., Italy, and China.

Regulatory Environment and Incentives

Regulation

The Corporation is subject to the same general government regulation as most other businesses, including but not limited to employment, health, safety, working conditions and environmental regulations in the conduct of the Corporation's affairs.

Installations of EV charging equipment may be subject to building codes, permitting, and other local municipal or provincial laws, regulations, or by-laws, which vary by jurisdiction.

Utilities legislation has generally been thought to be inapplicable to EV chargers. While legislation in several provinces uses language such as "sale, delivery, or provision of electricity" or "distribution", the regulators of Ontario and British Columbia have specifically exempted or concluded that EV charging is not captured by that legislation, while Nova Scotia and Alberta have indicated there is likely no regulatory oversight required at this time.

Measurements Canada has proposed the implementation of a system of standards to allow existing and new EV charging operators to bill by the kilowatt-hour (kWh), which is currently under the purview of the *Electricity and Gas Inspection Act* (RSC 1985, c. E-4) (the "**EGIA**"). Under the EGIA, an EV charger that measures the amount of electricity provided, which then uses such measurement to bill a customer, is technically a meter. All meters used in the sale of electricity in this manner must be verified and sealed, or otherwise granted permanent or temporary permission to operate without verification and sealing, and need to be reverified every eight years. Currently, EV charging operators that bill by some other metric, such as time, with a flat fee, or under a subscription, are and will be exempt from this requirement. However, if the Corporation, or entities it sells EV chargers to, wish to implement a per kWh billing system, they will be subject to the upcoming regulatory framework implemented by Measurements Canada.

Government Incentives

Canada's Emissions Reduction Plan ("**ERP**") 2030 contains key milestones that aim to meet its legally binding commitment to achieve net-zero greenhouse gas emissions by 2025, pursuant to the *Canadian Net-Zero Emissions Accountability Act*. This includes setting a mandatory target for all new light-duty cars and passenger trucks sales to be zero-emission by 2035, accelerating Canada's previous goal of 100% sales by 2040, with interim targets of 20% ZEV sales by 2026 and at least 60% by 2030. The ERP aims to turn this target into a legally binding ZEV sales mandate. In March 2022, \$1.7 billion was announced for incentives for ZEVs as part of the ERP.

To date, the Canadian federal government has invested more than \$1 billion to support ZEV deployment via infrastructure and purchase subsidies.

With respect to charging infrastructure, the Canadian government is providing incentives on a federal level as part of its Zero Emission Vehicle Infrastructure Program ("**ZEVIP**"), a \$680 million initiative ending in 2027 with a goal of increasing localized charging and hydrogen stations. Currently, the government is requesting proposals for installations of such devices in public places, on-street, in workplaces, for commercial and public fleets, and for MURBs, which closes in August 2022. The program will cover up to 50% of total project costs, to a maximum fixed amount per installation depending on the type of charger used, with Level 2 chargers eligible for up to \$5,000 in funding per charger, and fast chargers eligible for between a maximum of \$15,000 (for chargers with 20kW to 49kW output) and \$100,000 (for chargers with 200kW or greater output) in funding per charger. These maximum funding amounts are 50% higher for chargers installed by Indigenous businesses and communities.

With respect to purchase subsidies for EVs, the Canadian federal government has implemented the Incentive for Zero-Emission Vehicles Program ("**iZEV**"), which provides point-of-sale rebates of up to \$5,000 for the purchase or lease of eligible ZEVs. Under iZEV, there are two levels of incentives: (i) battery-electric, hydrogen fuel cell, and longer range plug-in hybrid vehicles are eligible for an incentive of \$5,000; and (ii) shorter range plug-in hybrid EVs are eligible for an incentive of \$2,500.

Leading provinces also continue to push ZEV deployment. For example, British Columbia passed the *Zero-Emission Vehicles Act* (the “**BC ZEV Act**”) in 2019 which requires automakers to meet an escalating annual percentage of new light-duty ZEV sales and leases, reaching 26% by 2026, 90% by 2030, and 100% by 2035. Under the BC ZEV Act, the province provides point-of-sale rebates on light-duty ZEVs of up to (i) \$3,000 for the purchase or lease of a new battery EV, hydrogen fuel cell vehicle, or longer-range plug-in hybrid EV; and (ii) \$1,500 for the purchase or lease of a shorter-range plug-in hybrid EV. British Columbia has also implemented the CleanBC Go Electric Charger Program, which is designed to expand the number of EV chargers installed in homes and workplaces. Under the CleanBC Go Electric Charger Program, the province provides rebates of up to 50% of costs to a maximum of \$2,000 per charger in condominiums, apartments and workplaces. Single family homes, duplexes, and townhomes can also apply for charger rebates up to a maximum of \$350. British Columbia, in its CleanBC Roadmap to 2030, also stated its overall target of achieving 10,000 public EV charging stations by 2030 and the completion of the province’s “electric highway” which will ensure broad geographic coverage across British Columbia for fast-charger EV sites by summer 2024.

Other provinces have adopted similar regulations to incentivize the adoption of EVs and the expansion of supporting infrastructure. For example, Quebec has adopted the *Act To Increase The Number Of Zero-Emission Motor Vehicles In Québec In Order To Reduce Greenhouse Gas And Other Pollutant Emissions*, which provides rebates for EV purchases and for EV charging station installations, and Nova Scotia introduced a subsidy scheme in 2021 for ZEVs, along with Prince Edward Island, New Brunswick, and Newfoundland and Labrador. There are also various rebate programs to incentivize the installation of EV charging equipment in public spaces, MURBs, workplaces, and for light-duty vehicle fleets in Alberta, Manitoba, Saskatchewan, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Quebec, and the Yukon.

History

The following is a description of how the business of the Corporation, and the business of its wholly-owned subsidiary, Spark, developed over the three most recently completed financial years.

History of Spark

On October 18, 2016, Spark was incorporated under the *Business Corporations Act* (Ontario) as Spark Charging Solutions Inc.

In December 2018, Spark began the deployment of EV chargers across Canada. On December 14, 2018 Spark deployed its first commercial Level 2 charger. By January 2020, Spark had continued expansion with 20 chargers deployed throughout Canada.

In January 2021, Spark had deployed the first 80 amp (electric bus chargers) in Canada, with a total of 35 chargers deployed.

On March 1, 2021, Spark signed an exclusive partnership with a North American manufacturer of EV charging equipment, JuiceBar, for a term of one (1) year.

History of the Corporation

The Corporation was incorporated under the BCBCA on September 5, 2018, under the name 1178406 B.C. Ltd. On June 24, 2019, the Corporation changed its name to “Cliffwood Capital Corp.”

On February 28, 2021, the Corporation entered into a letter of intent concerning the proposed transaction to combine the business, operations and assets of the Corporation and Spark.

On March 10, 2021, the Corporation changed its name to Hypercharge Networks Corp. in anticipation of the proposed acquisition of Spark and commencing its current operations as a turnkey electric vehicle (EV) charging solutions provider.

On April 22, 2021, the Corporation completed a non-brokered private placement of 7,300,000 Common Shares at a price of \$0.02 per share for gross proceeds of \$146,000.

On May 21, 2021, the Corporation completed a non-brokered private placement of 10,186,000 Common Shares at a price of \$0.25 per share for gross proceeds of \$2,546,500.

On August 5, 2021, the Corporation entered into the Target Park Agreement, initially to deploy 2,500 EV charging stations across North America over the 36 months following the date of the agreement. Pursuant to the Target Park Agreement, Target Park holds 2,080,000 performance warrants of Hypercharge, which will vest in tranches based on the number of chargers deployed by Target Park under the Target Park Agreement over the 36 months following the date of the agreement. Upon vesting, each performance warrant will be exercisable into one common share of Hypercharge at an exercise price of \$0.25 for a period of two (2) years from the date on which the corresponding tranche vests. See *"Options And Other Rights To Purchase Securities – Warrants"*.

On October 1, 2021, the Corporation completed a non-brokered private placement of 10,000,000 Common Shares at a price of \$0.40 per share for gross proceeds of \$4,000,000.

On October 18, 2021, the Corporation entered into the JointTech Agreement pursuant to which Hypercharge has been appointed as the distributor of certain JointTech EV charger products. The JointTech Agreement was subsequently amended on March 9, 2022 to, among other things, appoint Hypercharge as the exclusive Canadian reseller of certain of JointTech's products and to provide for the development of Hypercharge-branded chargers. See *"Business of the Corporation – Principal Products and Services – Hardware and Warranty"*.

On November 1, 2021, the Corporation completed the acquisition of Spark pursuant to a share exchange agreement dated November 1, 2021 among the Corporation, Spark, and the shareholders of Spark. Total consideration for the transaction was valued at approximately \$1.9 million, which was satisfied through (i) the issuance of 6,000,000 Common Shares, (ii) cash payments of \$191,546 to the Spark shareholders to satisfy existing debt that was owed by Spark, and (iii) the issuance of 1,000,002 PSUs, which will vest upon the Corporation achieving certain revenue and deployment based milestones within 36 months from the date of the agreement.

Throughout 2021 and 2022, the Corporation added 13 key members to the team, including its current Chief Executive Officer and Chief Financial Officer; Head of Growth and Partnerships; Manager of Customer Solutions; Head of Product Development; Director of Strategic Finance; Senior Marketing Manager; Head of Deployment, Design, and Engineering; and Director, Civil Construction, among other positions. See *"Business of the Corporation - Specialized Skill and Knowledge"*.

In March, 2022, Hypercharge deployed its EV chargers at one of Target Park's prime Toronto locations at 370 King Street West.

On March 1, 2022, the Corporation entered into the JuiceBar Reseller Agreement with a North American manufacturer of EV charging equipment, Oasis Charger Corporation, in connection with the distribution of JuiceBar's EV chargers.

On May 16, 2022, the Corporation completed the acquisition of CoSource pursuant to a share exchange agreement dated April 25, 2022. Pursuant to the agreement, the Corporation acquired 100% of the issued and outstanding shares of CoSource in exchange for: (i) 3,800,000 Common Shares; and (ii) 1,500,000 performance warrants, each exercisable into one Common Share at a price of \$0.02 per share upon the Corporation's achievement of certain revenue-based milestones. See *"Options And Other Rights To Purchase Securities – Warrants"*. CoSource is a full-service digital agency specializing in digital strategy, full-service marketing and software product development co-

founded by the Corporation's CEO and director, David Bibby. Mr. Bibby was issued an aggregate of 2,090,000 Common Shares and 1,500,000 performance warrants in connection with the acquisition of CoSource.

On May 18, 2022, the Corporation entered into the AXSO Agreement. See "*Business of the Corporation - Principal Products and Services – Software and Support*".

On June 1, 2022, the Corporation completed the Subscription Receipt Private Placement for gross proceeds of \$6,000,000.

On July 8, 2022, the Corporation appointed Vitaly Golomb and Shahab Samimi to the Board.

FUNDS AVAILABLE AND USE OF AVAILABLE FUNDS

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds. Following the satisfaction of the Escrow Release Conditions, the Corporation expects to have the following funds available:

Description	Amount
Working Capital as at June 30, 2022	\$2,754,096 ⁽¹⁾
Net Proceeds of Subscription Receipt Private Placement	\$5,426,648 ⁽²⁾⁽³⁾
Total Available Funds	\$8,180,744

Notes:

1. Excludes restricted cash attributable to gross proceeds of Subscription Receipt Private Placement.
2. Gross proceeds of \$6,000,000 less the Agents' Cash Fee, the cash portion of the Corporate Finance Fee, plus HST, and the Agents' expenses in connection with the Subscription Receipt Private Placement incurred up to the Closing Date totaling \$152,800. The balance of the Agents' expenses will be paid by the Corporation upon the earlier of the satisfaction of the Escrow Release Conditions and the occurrence of a Termination Event.
3. These funds are currently held in escrow. See "*Plan of Distribution*".

The principal purposes for the use of those funds are expected to be as follows for the 12-month period subsequent to the date of this Prospectus:

Principal Use	Estimated Amount
Salaries & consulting fees	\$2,350,210
Management fees ⁽¹⁾	\$363,965
Technology and innovation / research and development	\$708,022
Capital expenditures	\$478,558
General and administrative costs for the next 12 months ⁽²⁾	\$2,212,344
Unallocated working capital	\$2,067,645
Total	\$8,180,744

Notes:

1. For information regarding executive compensation see "*Executive Compensation*".
2. See the below table for a description of the estimated general and administrative expenses over the next 12 months.

Administrative costs for the 12-month period subsequent to the date of this Prospectus are expected to be comprised of the following:

General and Administrative Costs	Estimated Amount
Transfer agent, listing and filing fees	\$90,000
Investor relations & marketing	\$1,208,333
Professional fees	\$235,834
Accounting and auditing	\$261,500
Office rent and miscellaneous	\$391,977
Travel	\$24,700
Total	\$2,212,344

Business Objectives and Milestones

The Corporation expects to accomplish the following objectives and milestones using the funds available described above:

Business Objective	Milestone to Achieve Objective	Estimated Completion Date (Calendar Year)	Estimated Cost
Revenue Growth	Achieve total company revenues of \$1-2M in first year of operations	End of 2022	Variable
First Multi-Unit Residential Developer Partner	Win first MURB partnership	4Q 2022	Deal dependent
First Fleet Pilot	Enter into first Fleet Pilot with commercial partner	4Q 2022	Deal dependent
U.S. Expansion	Enter the U.S. market either by acquisition or organically through U.S. partners	1Q 2023	Deal dependent
White Labelling Network Agreement	Secure first white label customer for the Hypercharge Network Platform	1Q 2023	Deal dependent
Engage with Indigenous & First Nations	Partner and engage with Indigenous & First Nations to provide EV charging solutions within their communities	1Q 2023	Deal dependent
Strategic Acquisition	Complete first strategic acquisition that would achieve: (i) a sales & marketing channel in the U.S.; or (ii) initiation of a roll-up strategy in the Canadian market	End of 2023	Deal dependent

Carbon Credits	Establish low carbon fuel supplier capabilities to participate in the aggregation and distribution of carbon credits in relevant jurisdictions including British Columbia	2Q 2023	\$41,000
Technology Innovation	Rollout of proprietary Plug and Charge Cloud Platform and establish integration with third party apps	3Q 2023	\$355,625
Product Expansion	Sign an additional supplier agreement with major charging manufacturer of Level 3 chargers	3Q 2023	\$25,000

Although the Corporation currently anticipates that it will use its available funds as set forth above, it may reallocate its available funds from time to time depending upon its growth strategy relative to market and other conditions in effect at the time. The actual amount that the Corporation spends in connection with each of the intended uses of its available funds may vary significantly from the amounts specified above, and will depend on a number of factors, including, but not limited to, those referred to under "*Risk Factors*". Until the Corporation uses the available funds, it will hold them in cash and may invest them in short-term, interest-bearing, investment-grade securities.

The Corporation has negative cash flow from operating activities for the year ended August 31, 2021 and the six months ended February 28, 2022. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow. Operating cash flow may decline in certain circumstances, many of which are beyond the Corporation's control. If the Corporation does not achieve positive cash flow, it will be necessary for the Corporation to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Corporation or on terms acceptable to the Corporation. See "*Risk Factors - Negative Cash Flow from Operating Activities*".

Hypercharge uses the 'objectives and key results' ("**OKR**") framework for strategic planning and execution.

OKR is a framework to define objectives and track outcomes in a repeatable 3-step process:

1. set and communicate strategy and goals for a specific period of time;
2. at the end of the time period, evaluate how well the objectives have been executed; and
3. incorporate learnings to plan better moving forward.

The primary goal is to connect company, team and personal objectives to measurable results.

The OKR framework is a robust strategic framework used by companies like Google, Spotify, Walmart, Target and many others. It is both simple and concise to enable effective cascading and create team focus and it provides an agile structure to support quarterly, annual and long-term strategic planning and tracking.

The objectives underpinning the Corporation's OKR framework are as follows:

Sales Excellence: Build organizational capability for sales planning and execution that will establish Hypercharge as a competitive market presence, drive an accelerated growth rate, and support Hypercharge strategic goals.

Marketing Excellence: Build organizational capacity (framework, process, resources) for marketing planning and execution that will underpin our sales excellence, establish trust with our customers and stakeholders and contribute to sustained growth.

Strategic Partnerships: Identify and initiate key partnerships (e.g. utilities, not-for profits, regulatory bodies, industry forums) that will demonstrate our commitment to clean tech and provide a robust foundation for growth.

Expand Target Park Deployment: Drive Hypercharge and Target Park teams toward successful execution of the Hypercharge-Target Park collaboration agreement milestones for 2022/23, which includes deploying up to a total of 1,750 Hypercharge chargers at Target Park locations by the end of 2023.

Supply Chain Maturity: Establish appropriate partnerships with equipment (EV chargers and accessories) suppliers, field providers (electrical, civil, etc.) and other relevant third-party providers (logistics, warehouse, etc.) required for successful execution of Hypercharge's goals.

Customer Experience: Build organizational capability (framework, process, resources) for customer experience that leverages our product offerings to deliver exceptional experience across all phases of the customer lifecycle.

Revenue Management: Build revenue management and pricing acumen that is agile and responsive to the market, offers flexibility to our customers, and delivers optimal returns.

Product Development: Develop and evolve the Hypercharge platform solution to fulfill business needs and to provide a competitive edge in the market.

Business Growth & Valuation: Explore new, innovative ideas that introduce additional revenue streams and add value to the business.

The Corporation's management team and the Board have worked effectively together via remote technology throughout the coronavirus ("**COVID-19**") pandemic to advance the Corporation's business strategy. Thus far, the Corporation's management team has been able to engage necessary professional services, sales personnel, and other service providers remotely to execute its strategy, relying on the team's combined professional experience and relationships through the EV and financial sectors. Looking forward, based on its experiences thus far, the Corporation's management team does not see any major impact to the execution of its business plan that would be caused by the COVID-19 pandemic, as currently characterized by pertinent government and regulatory authorities. Aside from overall EV business risks outlined in this Prospectus under "*Risk Factors*", possible COVID-19 pandemic related risks include long lead times from suppliers, travel and border restrictions, and temporary labour shortages. However, the extent to which COVID-19 will impact the Corporation's business, including its business and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the emergence of new variants, the duration, severity and scope of new outbreaks, and the actions taken to contain or treat new variants or outbreaks. See "*Risk Factors*".

DIVIDENDS

The Corporation has neither declared nor paid any dividends on the Common Shares since its incorporation. The payment of dividends in the future will depend on the earnings and financial condition of the Corporation and such other factors as the Board of Directors may consider appropriate. The Corporation does not foresee paying dividends in the near future. There are no restrictions on the Corporation declaring dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation's management's discussion and analysis for the fiscal years ended August 31, 2021 and 2020 and the period from September 5, 2018 (incorporation) to August 31, 2019 provides an analysis of the Corporation's financial results for such periods and is included in this Prospectus as Schedule "D". The Corporation's management's discussion and analysis for the six months ended February 28, 2022 provides an analysis of the Corporation's financial results for such period and is attached to this Prospectus as Schedule "E". Both documents should be read in conjunction with the respective financial statements of the Corporation for such periods and the notes thereto, which are included in this Prospectus.

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

DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

Common Shares

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, there are 50,606,370 Common Shares issued and outstanding. Following the satisfaction of the Escrow Release Conditions and exchange of the Subscription Receipts, there will be 60,648,036 Common Shares issued and outstanding, including 41,666 Corporate Finance Fee Shares, but excluding the ACO Shares.

Holders of Common Shares are entitled to receive notice of any shareholders' meetings and to attend and cast one vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on the Common Shares, if any, as and when declared by the Board in its discretion from funds legally available. Upon the liquidation, dissolution or winding up of the Corporation, holders of the Common Shares are entitled to receive on a pro rata basis the net assets of the Corporation after payments of debts and other liabilities. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Subscription Receipts

See "*Plan of Distribution*" for a description of the terms of the Subscription Receipts.

Agents' Compensation Options

See "*Plan of Distribution*" for a description of the terms of the Agents' Compensation Options.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation at the date of this Prospectus, both before and after giving effect to the issuance of the Subscription Receipt Shares and Corporate Finance Fee Shares upon satisfaction of the Escrow Release Conditions pursuant to the Subscription Receipts Private Placement. The table should be read in conjunction with the financial statements, including the notes thereto, included elsewhere in this Prospectus.

Description	Authorized	Outstanding as at August 31, 2021	Outstanding as at the date of this Prospectus	Outstanding as at the date of this Prospectus after Giving Effect to the Deemed Exercise or Exchange of the Subscription Receipts ⁽¹⁾⁽²⁾
Common Shares	Unlimited	26,196,700	50,606,370	60,648,036
Warrants	-	4,206,000 ⁽³⁾	6,260,253 ⁽⁴⁾	6,260,253 ⁽⁴⁾
Stock Options	-	1,500,000	2,435,000	2,435,000
Performance Share Units	-	Nil	2,550,004	2,550,004
Restricted Share Units	-	Nil	300,000	300,000
Subscription Receipts	-	Nil	10,000,000	Nil

Notes:

- (1) Includes 10,000,000 Subscription Receipt Shares that are issuable upon the deemed exercise or exchange of the Subscription Receipts and 41,666 Corporate Finance Fee Shares issuable to the Lead Agent upon the satisfaction of the Escrow Release Conditions.
- (2) Assumes no options or warrants of the Corporation are exercised, including the Agents' Compensation Options, between the date hereof and the satisfaction of the Escrow Release Conditions. See *"Options and Other Rights to Purchase Securities"*.
- (3) Includes 4,080,000 performance warrants (of which 200,000 are exercisable as at the date of this Prospectus) and 126,000 non-performance warrants. See *"Options and Other Rights to Purchase Securities"*.
- (4) Includes 5,580,000 performance warrants, 126,000 non-performance warrants, and 554,253 Agents' Compensation Options. See *"Options and Other Rights to Purchase Securities"*.

Fully Diluted Share Capital

The following table sets out the anticipated fully diluted share capital of the Corporation after giving effect to the issuance of the Subscription Receipt Shares and Corporate Finance Fee Shares upon satisfaction of the Escrow Release Conditions pursuant to the Subscription Receipts Private Placement.

Description	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	50,606,370	70.10%
Common Shares reserved for issuance upon the deemed exercise or exchange of the Subscription Receipts	10,000,000	13.85%
Common Shares issuable upon exercise of the Agents' Compensation Options	554,253	0.77%

Common Shares issuable as Corporate Finance Fee Shares upon the satisfaction of the Escrow Release Conditions	41,666	0.06%
Common Shares reserved for issuance upon exercise of outstanding warrants	126,000	0.17%
Common Shares reserved for issuance upon exercise of outstanding performance warrants	5,580,000	7.73%
Common Shares reserved for issuance upon vesting of outstanding performance share units	2,550,004	3.53%
Common Shares reserved for issuance upon vesting of outstanding restricted share units	300,000	0.42%
Common Shares reserved for issuance upon exercise of outstanding stock options	2,435,000	3.37%
Total Fully Diluted Share Capitalization	72,193,293	100.00%

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Omnibus Plan

On February 15, 2022, the Corporation adopted an omnibus equity incentive plan (the “**Omnibus Plan**”), which replaced the Corporation’s prior 10% rolling stock option plan. The Omnibus Plan provides for the granting of stock options (“**Options**”), restricted share units (“**RSUs**”) and performance share units (“**PSUs**” and, together with RSUs, “**Awards**”).

An RSU is an Award that is valued by reference to a Common Share, which value may be paid to the participant in Common Shares upon the satisfaction of vesting restrictions as the Board may establish, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Board may deem appropriate. A PSU is a unit valued by reference to a designated number of Common Shares, which value may be paid to the participant upon achievement of certain performance goals as the Board shall establish.

Pursuant to the terms of the Omnibus Plan, the Board may from time to time, in its discretion, grant Awards to directors, officers, employees and consultants of the Corporation. The total number of Common Shares reserved for grant and issuance under the Omnibus Plan pursuant to: (i) Options, together with any Options under any other share compensation arrangement, may not exceed 10% of the issued and outstanding Common Shares (on an undiluted basis) at the time of any applicable Option granted under the Omnibus Plan; and (ii) PSUs and RSUs, together with any similar performance-based awards under any other share compensation arrangement, may not exceed 4,300,000 Common Shares. Options granted under the Omnibus Plan are exercisable for a period of up to ten years. In addition, the number of Common Shares reserved for issuance to any one person in a 12 month period shall not exceed 5% of the issued and outstanding Common Shares (unless the Corporation has obtained disinterested shareholder approval), and the maximum number of Common Shares issuable to insiders under the Omnibus Plan within any 12 month period and at any time under the Omnibus Plan shall not exceed 10% of the issued and outstanding Common Shares (unless the Corporation has obtained disinterested shareholder approval).

Stock Options

The following table sets forth certain information in respect of Options to purchase Common Shares that are outstanding as of the date hereof.

Category	Aggregate Number of Individuals	Aggregate Number of Options	Date of Grant	Exercise Price	Expiry Date
Current and former executive officers of the Corporation (“Executives”)	3	1,000,000	June 29, 2021	\$0.25	June 29, 2026
		85,000	February 25, 2022	\$0.40	February 25, 2025
		50,000	April 19, 2022	\$0.40	April 19, 2025
Current and former directors of the Corporation excluding Executives	2	300,000	June 29, 2022	\$0.60	June 29, 2025
		10,000	July 6, 2022	\$0.60	July 6, 2025
Current and former employees of the Corporation	4	250,000	June 29, 2021	\$0.25	June 29, 2026
		25,000	November 8, 2021	\$0.40	November 8, 2024
		50,000	December 6, 2021	\$0.40	December 6, 2024
		100,000	March 31, 2022	\$0.40	March 31, 2025
Consultants to the Corporation	5	250,000	July 30, 2021	\$0.25	July 30, 2026
		100,000	October 12, 2021	\$0.40	October 12, 2024
		215,000	February 25, 2022	\$0.40	February 25, 2025

Warrants

The following table sets forth certain information concerning the warrants of the Corporation:

Description	Date of Grant	Exercise Price	Expiry Date	Outstanding as at August 31, 2021	Outstanding as at the Date of this Prospectus	Outstanding as at the Date of this Prospectus After Giving Effect to the Deemed Exercise or Exchange of the Subscription Receipts ⁽¹⁾
Finders Warrants ⁽²⁾	May 21, 2021	\$0.25	May 21, 2023	126,000	126,000	126,000
Performance Warrants	August 3, 2021	\$0.25	See note (3)	2,000,000	2,000,000	2,000,000

	August 5, 2021	\$0.25	See note (4)	2,080,000	2,080,000	2,080,000
	May 13, 2022 ⁽⁵⁾	\$0.02	May 13, 2027	Nil	1,500,000	1,500,000
Agents' Compensation Options ⁽⁶⁾	June 1, 2022	\$0.60	See note (7)	Nil	554,253	554,253

Notes:

- (1) Assumes no warrants of the Corporation are exercised between the date hereof and the satisfaction of the Escrow Release Conditions.
- (2) Issued by the Corporation to certain finders in connection with a financing of the Corporation on May 21, 2021. Each warrant is exercisable into one Common Share at a price of \$0.25 per Common Share for a period of two (2) years following the date of grant.
- (3) The performance warrants will vest upon the completion of a future financing transaction, whereby the Corporation obtains a listing on a Canadian stock exchange and conducts a subsequent offering to raise a minimum of \$5 million. The performance warrants will be exercisable into Common Shares for two (2) years following the vesting date.
- (4) Issued pursuant to the Target Park Agreement. 200,000 of the performance warrants vested immediately upon execution of the Target Park Agreement and the remaining vest in six tranches upon the achievement of certain performance milestones during the three (3) years following the commencement of the Target Park Agreement. The performance warrants will be exercisable into Common Shares for a period of three (3) years following the date in which the applicable tranche vested.
- (5) Issued in connection with the CoSource acquisition.
- (6) Issued to the Agents on the Closing Date.
- (7) Exercisable for a period of 24 months from the earlier of (i) the date on which the Escrow Release Conditions are satisfied, and (ii) the Escrow Release Deadline.

PRIOR SALES

In the 12 months preceding the date of this Prospectus, the Corporation has not issued any Common Shares, or securities convertible or exchangeable for Common Shares, other than the following:

Date	Price or Deemed Price per Security	Class of Security	Number of Securities
May 21, 2021	\$0.25	Common Shares	10,186,000
May 21, 2021 ⁽¹⁾	\$0.25	Finders Warrants	126,000
June 29, 2021 ⁽²⁾	\$0.25	Stock Options	1,250,000
July 30, 2021 ⁽²⁾	\$0.25	Stock Options	250,000
August 3, 2021 ⁽³⁾	\$0.25	Performance Warrants	2,000,000
August 5, 2021 ⁽⁴⁾	\$0.25	Performance Warrants	2,080,000
October 1, 2021	\$0.40	Common Shares	10,000,000
October 12, 2021 ⁽⁵⁾	\$0.40	Stock Options	100,000
November 1, 2021 ⁽⁶⁾	\$0.40	Common Shares	6,000,000

November 1, 2021 ⁽⁷⁾	\$0.40	Common Shares	4,219,670
November 8, 2021 ⁽⁸⁾	\$0.40	Stock Options	25,000
December 6, 2021 ⁽⁸⁾	\$0.40	Stock Options	50,000
February 15, 2022 ⁽⁹⁾	N/A	Performance Share Units	2,550,004
February 25, 2022 ⁽⁸⁾	\$0.40	Stock Options	300,000
March 31, 2022 ⁽⁸⁾	\$0.40	Stock Options	100,000
April 19, 2022 ⁽⁸⁾	\$0.40	Stock Options	50,000
March 29, 2022 ⁽¹⁰⁾	\$0.40	Common Shares	200,000
May 13, 2022 ⁽¹¹⁾	\$0.40	Common Shares	3,800,000
May 16, 2022 ⁽¹²⁾	\$0.40	Common Shares	190,000
June 1, 2022 ⁽¹³⁾	\$0.60	Subscription Receipts	10,000,000
June 1, 2022 ⁽¹⁴⁾	\$0.60	Agents' Compensation Options	554,253
June 29, 2022 ⁽⁸⁾	\$0.60	Stock Options	300,000
July 6, 2022 ⁽⁸⁾	\$0.60	Stock Options	10,000
July 7, 2022 ⁽¹⁵⁾	N/A	Restricted Share Units	300,000

Notes:

- (1) Issued by the Corporation to certain finders in connection with a financing of the Corporation on May 21, 2021. Each warrant is exercisable into one Common Share at a price of \$0.25 per Common Share for a period of two (2) years following the date of grant.
- (2) Each Option is exercisable into one Common Share for five (5) years following the date of grant.
- (3) Issued to an advisor for consideration of a future financing transaction. The performance warrants will vest upon the completion of a future financing transaction, whereby the Corporation will obtain a listing on a Canadian stock exchange and conduct a subsequent offering to raise a minimum of \$5 million. When vested, the performance warrants will be exercisable into Common Shares at an exercise price of \$0.25 per share.
- (4) Issued pursuant to the Target Park Agreement. 200,000 of the performance warrants vested immediately upon execution of the Target Park Agreement and the remaining performance warrants will vest in six tranches during the three (3) years following the commencement of the agreement. The performance warrants will be exercisable into Common Shares at a price of \$0.25 per share for a period of three (3) years following the date in which the applicable tranche vested.
- (5) Each Option is exercisable into one Common Share at a price of \$0.40 per share until October 12, 2024.
- (6) Issued as consideration in connection with the acquisition of Spark.
- (7) Issued as an advisory success fee in connection with the acquisition of Spark.
- (8) Each Option is exercisable into one Common Share for three (3) years following the date of grant.
- (9) Granted to certain consultants and employees of the Corporation under the Omnibus Plan. The PSUs vest in equal installments upon the Corporation achieving certain milestones related to deployment of EVs and revenue.
- (10) Issued by the Corporation at a deemed price of \$0.40 per Common Share to a service provider in satisfaction of indebtedness totaling \$80,000 on account of past services rendered to the Corporation.
- (11) Issued as consideration in the CoSource acquisition.
- (12) Issued as an advisory success fee in connection with the CoSource acquisition.
- (13) Issued in connection with the Subscription Receipt Private Placement.
- (14) Issued to the Agents in connection with the Subscription Receipt Private Placement. Each Agents' Compensation Option entitles the Agent to purchase one Common Share at any time up to 24 months from the earlier of (i) the date on which the Escrow Release Conditions are satisfied, and (ii) the Escrow Release Deadline.

(15) The RSUs will vest as to 25% six, twelve, eighteen and twenty-four months following the grant date.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Shares

NP 46-201 requires that securities held by a "principal" of an issuer be held in escrow. A "principal" of an issuer is:

- (i) a person who acted as a promoter of the issuer;
- (ii) a director or senior officer of the issuer;
- (iii) a person holding more than 20% of the securities of the issuer both immediately before and immediately after the issuer's initial public offering; and
- (iv) a person carrying more than 10% of the securities who also has the right to appoint one or more directors or senior officers of the issuer.

In accordance with NP 46-201 and pursuant to the Escrow Agreement to be entered into among the Escrowed Shareholders, the Corporation and the Escrow Agent, a total of 15,806,449 Common Shares, 1,500,000 performance warrants, 1,000,002 PSUs, and 1,250,000 Options will be deposited into escrow with the Escrow Agent.

Escrow restricts the ability of certain holders to deal with their Escrow Securities while they are in escrow. The Escrow Agreement sets out these restrictions and provides that, except to the extent permitted thereunder, the principals cannot sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their Escrow Securities or the related share certificates or other evidence of the Escrow Securities. A private company, Controlled by one or more principals, that holds Escrow Securities, may not participate in a transaction that results in a change of its control or a change in the economic exposure of the principals to the risks of holding Escrow Securities.

On the Listing Date, the Corporation will be an "established issuer" as such term is defined in NP 46-201. Accordingly, the original number of the Escrow Securities purchased by principals of the Corporation will be released as follows:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/4 of the escrowed securities
6 months after the Listing Date	1/3 of the remaining escrowed securities
12 months after the Listing Date	1/2 of the remaining escrowed securities
18 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the Escrow Securities initially deposited and no additional escrowed securities are deposited, automatic timed -release escrow applicable to the Corporation will result in the escrowed securities being released in 25% tranches every six months, with the first tranche being release on the Listing Date.

Shares Subject to Resale Restrictions

Voluntary Hold Periods

The following table summarizes the Common Shares which are subject to voluntary hold periods, where such Common Shares may not be traded, sold, or otherwise disposed of until released according to the schedule indicated below.

Date	Issuance Details	Number of Common Shares	Issue Price	Release Schedule
2019 – 2021	Private Placements	15,400,000	\$0.02 and \$0.025	36 month release schedule ⁽¹⁾
May 21, 2021	Private Placement	10,186,000	\$0.25	12 month release schedule ⁽²⁾
October 1, 2021	Private Placement	10,000,000	\$0.40	4 month release schedule ⁽³⁾
November 1, 2021	Spark Acquisition Shares	6,000,000 ⁽⁴⁾	\$0.40	36 month release schedule ⁽¹⁾
November 1, 2021	Advisory Fee	4,219,670 ⁽⁵⁾	\$0.40	36 month release schedule ⁽¹⁾
February 1, 2021	Advisory Fee	200,000	\$0.40	36 month release schedule ⁽¹⁾
May 13, 2022	CoSource Acquisition Shares	3,800,000 ⁽⁶⁾	\$0.40	36 month release schedule ⁽¹⁾
May 16, 2022	Advisory Fee	190,000	\$0.40	36 month release schedule ⁽¹⁾
Total		49,995,670		

Notes:

- (1) These Common Shares will be released as follows: (i) 10% of the Common Shares will be released on the Listing Date, and (ii) 15% will be released every 6 months thereafter, with the final 15% tranche being released on the date that is 36 months following the Listing Date.
- (2) These Common Shares will be released as follows: (i) 20% of the Common Shares will be released 4 months after the Listing Date; and (ii) 20% will be released every 2 months thereafter.
- (3) These Common Shares will be released as follows: (i) 50% of the Common Shares will be released 2 months after the Listing Date; and (ii) 50% will be released 4 months after the Listing Date.
- (4) 3,550,000 of such Common Shares are held by a corporation controlled by the spouse of a director of the Corporation's subsidiary, Spark, and 2,350,000 of such Common Shares are held by a corporation controlled by another director of Spark. 5,900,000 of these 6,000,000 Common Shares are therefore also subject to the Escrow Agreement.
- (5) 1,139,557 of these Common Shares are held by a corporation controlled by the Corporation's director, Bronson Peever, and are therefore also subject to the Escrow Agreement.
- (6) 2,090,000 of these Common Shares were issued to the Corporation's director and CEO, David Bibby. 1,710,000 of these Common Shares were issued to the spouse of Mr. Bibby. All 3,800,000 of these Common Shares are therefore also subject to the Escrow Agreement.

In addition to the above, under the terms of the Agency Agreement, the Corporation's officers and directors and certain shareholders holding greater than 5% of the outstanding Common Shares have agreed not to sell any Common Shares or securities exchangeable or convertible into Common Shares until the date that is 180 days from the date on which the Escrow Release Conditions are satisfied, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld. 13,483,949 Common Shares are subject to this restriction pursuant to the Agency Agreement.

Summary

The following table discloses the number of securities of the Corporation that are held in escrow or subject to a contractual restriction on transfer:

Designation of class	Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class Before Giving Effect to the Deemed Exercise or Exchange of the Subscription Receipts	Percentage of Class after Giving Effect to the Deemed Exercise or Exchange of the Subscription Receipts ⁽¹⁾
Common Shares	47,014,703	92.90% ⁽¹⁾	77.59% ⁽²⁾
Warrants	1,500,000	23.96% ⁽³⁾	23.96% ⁽⁴⁾
Options	1,000,000	41.07% ⁽⁵⁾	41.07% ⁽⁶⁾

Notes:

- (1) Based on 50,606,370 Common Shares issued and outstanding as of the date of this Prospectus.
- (2) Based on 60,648,036 Common Shares issued and outstanding after giving effect to the issuance of the Subscription Receipt Shares and the Corporate Finance Fee Shares. An additional 41,666 Common Shares issued following the deemed exercise or exchange of the Subscription Receipts will be subject to escrow, so a total of 47,056,369 Common Shares will be held in escrow or subject to contractual restriction on transfer.
- (3) Based on 6,260,253 warrants outstanding as of the date of this Prospectus.

- (4) Based on 6,260,253 warrants outstanding after giving effect to the deemed exercise or exchange of the Subscription Receipts.
(5) Based on 2,435,000 Options outstanding as of the date of this Prospectus.
(6) Based on 2,435,000 Options outstanding after giving effect to the deemed exercise or exchange of the Subscription Receipts.

PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

DIRECTORS AND OFFICERS

The Board of Directors consists of David Bibby, Bronson Peever, Liam Firus, Shahab Samimi and Vitaly Golomb. David Bibby serves as the Corporation's Chief Executive Officer, Kara James serves as the Corporation's Chief Financial Officer and Diana Mark serves as the Corporation's Corporate Secretary.

The following are the names, municipalities of residence, shareholdings and principal occupations within the previous five years of the directors and officers of the Corporation.

Name, Jurisdiction of Residence, and Position Held with the Corporation	Director or Officer Since	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned Directly or Indirectly as at the Date Hereof ⁽¹⁾	Number of Common Shares Beneficially Owned Directly or Indirectly after Giving Effect to the Deemed Exercise or Exchange of the Subscription Receipts ⁽²⁾
David Bibby British Columbia, Canada <i>Director and Chief Executive Officer</i>	June 15, 2021	Prior to his appointment as director and CEO of the Corporation, Mr. Bibby held several senior leadership positions, most recently as the Head of Global Digital Services at Finning International Inc., the world's largest Caterpillar equipment dealer, from 2016 to 2021. He also served as an independent director for Uniselect (UNS.TO) from 2018 to 2020.	3,040,000 (6.01%)	3,081,666 (5.08%)
Kara James British Columbia, Canada <i>Chief Financial Officer</i>	September 1, 2021	Ms. James has been the President of JB CFO since August 2021, a firm which provides fractional CFO services to SMEs. In addition, she has been the Vice President of PubCo Reporting Solutions, Inc. since July 2020, a firm which provides outsourced CFO and accounting services. Previously, Ms. James held various positions with Sysco Canada Inc. from 2013 to June 2020, including CFO – Pacific Division, CFO – Western	Nil	Nil

		Canada, and Director of Finance Transformation.		
Bronson Peever British Columbia, Canada <i>Director</i>	June 24, 2019	Mr. Peever graduated from Dalhousie University with a degree in Entrepreneurship. He is a partner at Rockbank Capital Corp., a capital markets advisory firm that he founded in 2016, where he has primarily focused on capital raising transactions and investor relations.	2,752,392 ⁽³⁾ (5.44%)	2,752,392 ⁽³⁾ (4.54%)
Liam Firus ⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	October 11, 2019	Mr. Firus has been a partner at Rockbank Capital Corp., a capital markets advisory firm, since May 2020, where he has advised and provided corporate services to private and public companies. Previously, Mr. Firus worked in Business Development with Northbay Capital Partners from May 2018 to May 2020.	1,737,391 ⁽⁶⁾ (3.43%)	1,737,391 ⁽⁶⁾ (2.86%)
Shahab Samimi ⁽⁵⁾ British Columbia, Canada <i>Director</i>	July 7, 2022	Mr. Samimi has been a Principal at 7 Gate Ventures, a venture capital firm based in Vancouver and Silicon Valley, since April 2019. Previously, Mr. Samimi was an advisor at venture capital firm Hex Capital from October 2018 to April 2021, an analyst at Gravitas Securities Inc. from March 2018 to June 2018, and an associate at Performance Capital Advisors from December 2016 to March 2018.	Nil	Nil
Vitaly Golomb ⁽⁵⁾ California, United States <i>Director</i>	July 7, 2022	Mr. Golomb has been a partner at Drake Star, a global technology investment bank, since September 2020, where he leads the Mobility & Sustainability practice. Previously, Mr. Golomb was managing partner at GS Capital, a venture capital firm, from 2018 to September 2020, and a founding partner of HP Tech Ventures, the venture capital arm of the multinational IT company, HP Inc., from 2016 to 2018.	Nil	Nil
Diana Mark British Columbia, Canada <i>Corporate Secretary</i>	June 1, 2021	Ms. Mark has been the President of Greystone Corporate Services Inc., a company providing corporate and regulatory services for public companies, since December 2010. Ms. Mark has acted as corporate secretary for numerous public and private companies.	12,500 (0.00%)	12,500 (0.00%)

Notes:

- (1) Based on 50,606,370 Common Shares issued and outstanding as of the date of this Prospectus.
- (2) Based on 60,648,036 Common Shares issued and outstanding after giving effect to the issuance of the Subscription Receipt Shares and the Corporate Finance Fee Shares.
- (3) 1,139,557 of the 2,752,392 Common Shares are held through Rockbank Capital Corp., a company controlled by Mr. Peever.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation and Corporate Governance Committee.
- (6) 1,142,223 of the 1,737,391 Common Shares are held through 1198349 BC Ltd., a company controlled by Mr. Firus.

Each of the directors of the Corporation will hold office until the next annual general meeting of the shareholders of the Corporation pursuant to the BCBCA, or unless their office is earlier vacated in accordance with the Articles of the Corporation, or the provisions of the BCBCA.

The following is a brief description of the background of the proposed directors and key management of Hypercharge:

David Bibby, Director and CEO, Age 52

Mr. Bibby became President and CEO of the Corporation on June 15, 2021. Previously Mr. Bibby held several senior leadership positions, most recently as the Head of Global Digital Services at Finning International Inc., the world's largest Caterpillar equipment dealer, from 2016-2021. From 2012 to 2015, Mr. Bibby was Chief Information Officer at Vancity Savings Credit Union, responsible for Enterprise IT Services and Operations. From 1997 to 2015, Mr. Bibby was Senior VP, Technology at Canaccord Genuity Corporation. He also served as an independent director for Uniselect (UNS.TO) from 2018-2020. Mr. Bibby obtained his ICD.D designation from the Institute of Corporate Directors in 2019.

As the Chief Executive Officer of the Corporation, Mr. Bibby is responsible for managing the overall day-to-day operations and resource allocation. Mr. Bibby will be the main point of communication between management and the Board of Directors and will serve as the Corporation's primary public relations and communications contact point. In addition, Mr. Bibby will provide support for (i) outside contractors and service providers, acquisitions and project development, and (ii) the financial operations of the Corporation in cooperation with the Chief Financial Officer and outside accounting, tax, and auditor support.

Mr. Bibby devotes 100% of his time to the Corporation's activities.

Mr. Bibby is an employee of the Corporation. Mr. Bibby has entered into a non-competition and non-disclosure agreement with the Corporation.

Kara James, CFO, Age 52

Ms. James is a graduate of the University of British Columbia and a CPA and CA with over 20 years of experience. Ms. James' career began in public accounting with KPMG. After leaving public accounting, most of her career was spent in various financial positions with Sysco Canada Inc., including CFO – Pacific Division, CFO – Western Canada, and Director of Finance Transformation. Ms. James is also the President of JB CFO, a firm which provides fractional CFO services to SMEs, and the Vice President of PubCo Reporting Solutions, Inc., a firm which provides outsourced CFO and accounting services.

As the Chief Financial Officer of the Corporation, Ms. James is responsible for coordinating the financial operations of the Corporation in conjunction with the Chief Executive Officer and with outside accounting, tax and auditing firms.

Ms. James devotes approximately 60% of her time to the Corporation's activities.

Ms. James is not an employee of the Corporation but is an independent consultant of the Corporation. Ms. James has entered into a non-disclosure agreement but has not entered into a non-competition agreement with the Corporation.

Bronson Peever, Director, Age 27

Mr. Peever graduated from Dalhousie University with a degree in Entrepreneurship in 2016. He is a partner at Rockbank Capital Corp., a capital markets advisory firm which he founded in 2016, where he has primarily focused on capital raising transactions and investor relations. Throughout his work at Rockbank Capital, he has developed experience in capital structuring for early-stage companies.

Mr. Peever devotes approximately 20% of his time to the Corporation's activities, but will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Peever is not an employee of the Corporation. Mr. Peever has not entered into a non-competition or non-disclosure agreement with the Corporation.

Liam Firus, Director, Age 30

Mr. Firus has been a partner at Rockbank Capital Corp. since May 2020, where he has advised and provided corporate services to private and public companies. Previously, Mr. Firus worked in Business Development with Northbay Capital Partners from May 2018 to May 2020. Mr. Firus studied business and finance at Athabasca University.

Mr. Firus devotes approximately 20% of his time to the Corporation's activities, but will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Firus is not an employee of the Corporation. Mr. Firus has not entered into a non-competition or non-disclosure agreement with the Corporation.

Shahab Samimi, Director, Age 33

Mr. Samimi brings over 15 years of experience in entrepreneurial ventures, business development, and capital markets. Mr. Samimi is a Principal at 7 Gate Ventures, a venture capital firm based in Vancouver and Silicon Valley, where he focuses on sourcing, reviewing, executing, and monitoring a portfolio of investments, particularly in the technology space. Mr. Samimi obtained an Executive MBA from the Beedie School of Business at Simon Fraser University.

Mr. Samimi devotes approximately 10% of his time to the Corporation's activities, and will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Samimi is not an employee of the Corporation. Mr. Samimi has not entered into a non-competition or non-disclosure agreement with the Corporation.

Vitaly Golomb, Director, Age 41

Mr. Golomb is a technology investment banker with over 20 years of experience on all sides of the table as a venture-backed CEO, venture capitalist, and M&A advisor. Vitaly has deep expertise in the transportation and mobility sector, in addition to experience in artificial intelligence, software/SaaS, and advanced materials. Mr. Golomb has been a partner at Drake Star, a global technology investment bank, since September 2020, where he leads the Mobility & Sustainability practice. Before joining Drake Star, Mr. Golomb was the Founder and Managing Partner of GS Capital and a Founding Partner of HP Tech Ventures, the venture capital arm of the multinational IT company, HP Inc.

Mr. Golomb devotes approximately 10% of his time to the Corporation's activities, and will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Golomb is not an employee of the Corporation. Mr. Golomb has entered into a non-disclosure agreement with the Corporation, but has not entered into a non-competition agreement.

Diana Mark, Corporate Secretary, Age 64

Ms. Mark has over 30 years' experience in corporate and regulatory compliance, specializing in acting as Corporate Secretary of public companies in a variety of industries. Ms. Mark has been the President of Greystone Corporate Services Inc., a company providing corporate and regulatory services for public companies, since December 2010. She brings experience with brokered and non-brokered financings, corporate governance and assisting boards.

Ms. Mark devotes approximately 20% of her time to the Corporation's activities.

Ms. Mark is not an employee of the Corporation but is an independent consultant of the Corporation. Ms. Mark is engaged by the Corporation through Greystone Corporate Services Inc., a company wholly-owned and controlled by Ms. Mark. Ms. Mark has not entered into a non-competition or non-disclosure agreement with the Corporation.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of Hypercharge has, within the ten years prior to the date of this Prospectus been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days or (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the company access to an exemption under securities legislation for a period of more than 30 consecutive days.

Bankruptcies

No director or executive officer of Hypercharge has, within the ten years prior to the date of this Prospectus been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director or executive officer of Hypercharge has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or initiated any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanction

During the ten years preceding the date of this Prospectus, no proposed director, officer or promoter of Hypercharge, nor any securityholder anticipated to hold a sufficient number of securities of Hypercharge to affect materially the control of Hypercharge has, to the knowledge of the Corporation, been subject to any (i) penalties or sanctions imposed by a courts relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder.

CONFLICTS OF INTEREST

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, the director in a conflict will disclose their interest and abstain from voting on such matter, as required under applicable laws.

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

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

Shareholdings of Directors and officers

The number and percentage of each class of voting securities of the Corporation or any of its Subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group is 7,529,783 (14.88%). Following the issuance of the Subscription Receipt Shares and the Corporate Finance Fee Shares, the number and percentage of each class of voting securities of the Corporation or any of its Subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group will be 7,571,449 (12.48%).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the

Corporation. In addition, NI 58-101 prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through regular meetings. The Board is composed of five directors: David Bibby, Bronson Peever, Liam Firus, Vitaly Golomb and Shahab Samimi.

Mr. Bibby is not independent of the Corporation, as he is the Chief Executive Officer of the Corporation. Mr. Peever is also not independent of the Corporation, as he served as Chief Executive Officer of the Corporation until 2021. Mr. Firus is not independent of the Corporation because he has received compensatory fees other than as remuneration for acting in his capacity as a member of the Board. Messrs. Golomb and Samimi are independent of the Corporation.

To ensure that the Board can function independently of management, the Corporation will ensure its independent directors hold regular meetings or *in camera* sessions at which non-independent directors and members of management are not in attendance. Such meetings or *in camera* sessions will be held at every scheduled Board meeting, at a minimum, and at such other times as the circumstances so require. However, no such meetings have been held since the beginning of the Corporation's most recently completed financial year, given that the Corporation's independent directors have only recently been appointed to the Board.

The Board does not have a chair or a lead director. The Board believes it functions and can continue to function independently of management. The Board provides leadership for its independent directors through formal Board meetings, by encouraging the Corporation's independent directors to bring forth agenda items, and by providing the independent directors with access to senior management, outside advisors, and information regarding the Corporation's activities. The Board and its committees may meet in the absence of management at their discretion and the Board and any committee or member of the Board may engage outside advisors at the expense of the Corporation in appropriate circumstances.

Since the beginning of its most recently completed financial year, the Corporation has held two Board meetings, which were attended by all directors, other than Messrs. Golomb and Samimi who had not yet been appointed to the Board at the time of such meetings.

Board Mandate

The Board adopted a board charter on July 7, 2022 (the "**Board Mandate**"). The Board Mandate requires that the Board maintain a supervisory role over management, and provides that the Board will have specific duties and responsibilities relating to:

- (a) strategic planning;
- (b) risk management (including monitoring of the corporation's financial performance, financial reporting, financial risk management);
- (c) succession planning;
- (d) nomination matters;
- (e) corporate governance matters; and
- (f) communications and disclosure.

Composition of the Board is such that the independent directors have significant experience in corporate affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management. Responsibility for day-to-day operations is delegated to management with the Board retaining responsibility for evaluating management's performance. Management is required to seek Board approval for major transactions.

The complete text of the Board Mandate is attached as Schedule "F" hereto.

Position Descriptions

The Board has not developed a separate written position description for the chair of each Board committee. The Corporation's Audit Committee and Compensation and Corporate Governance Committee are comprised of a majority of independent directors, which helps ensure that the views of the independent directors are effectively presented. The role of the chair of each committee is to preside over all meetings of the committee, lead the committee in regularly reviewing and assessing the adequacy of its mandate and its effectiveness in fulfilling its mandate, and report to the Board with respect to the activities of such committee. As the Board does not have a chair or lead director, the Board has not developed a written position description for the chair of the Board.

Similarly, there is no written position description for the CEO and CFO developed between the Board and such executive officers. The Board expects the CEO and the management team to be responsible for management of the Corporation's strategic and operational agenda and for executing on the decisions of the Board. The Board expects to be advised on a regular basis as to the results being achieved, and to be presented for approval, alternative plans and strategies, in keeping with evolving business conditions. In addition to those matters which by law and the Corporation's constituting documents must be approved by the Board, the prior approval of the Board, or of a committee of the Board to which approval authority has been delegated by the Board, is required for all matters of policy and all actions proposed to be taken by the Corporation which are not in the ordinary course of its operations or the approval of which has been delegated. In particular, the Board approves the appointment of all executive officers of the Corporation and approves all material transactions.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Corporation, as may be applicable to orient new directors regarding the role of the Board, its committees and its directors and the nature of the operation of the Corporation's business. Board meetings are sometimes held at the Corporation's offices and, from time to time, are combined with presentations by the Corporation's management to give directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board adopted a written code of conduct (the "Code") on June 24, 2021 for its directors, officers and employees. The Code provides a set of ethical standards for conducting the business and affairs of the Corporation with honesty and in accordance with high ethical and legal standards. The Code addresses honest and ethical conduct, conflicts of interest, protection of the Corporation's assets, confidentiality, fair dealing with competitors, insider trading, compliance with laws and reporting any illegal or unethical behaviour. Any person subject to the Code will be required to avoid or fully disclose interests or relationships that may give rise to real, potential or the appearance of conflicts of interest.

The Board has found that this Code and the fiduciary duties placed on individual directors by the BCBCA and common law, in combination with the restrictions placed by applicable law on an individual director's participation in decisions of the Board in which a director or executive officer has a material interest will be sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination and Compensation of Directors and Executive Officers

The Corporation has a Compensation and Corporate Governance Committee comprised of three directors, the majority of whom are persons determined by the Board to be independent directors, and which is charged with reviewing, overseeing and evaluating the Corporation's compensation, corporate governance and nominating

policies. The Compensation and Corporate Governance Committee is composed of Shahab Samimi (chair), Vitaly Golomb and Liam Firus.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee is also responsible for recruiting and identifying individuals qualified to become new Board members and making recommendations to the Board regarding new director nominees, annually or as required. In making such recommendations, the Compensation and Corporate Governance Committee will consider: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the diversity of the Board and executive officer composition, including whether targets have been adopted for women, visible minorities, Aboriginal people and people with disabilities on the Board; (c) the competencies and skills that the Board considers each existing director to possess; and (d) the competencies and skills each new nominee will bring to the Board.

The Compensation and Corporate Governance Committee also assists the Board in reviewing and, where appropriate, recommending to the Board: the Corporation's overall executive compensation strategy in conjunction with the Chief Executive Officer, including competitive industry positioning, weighting of compensation elements and relationship of compensation to performance; the Chief Executive Officer's recommendation for all corporate compensation and benefit plans including proposed salary ranges, bonuses, stock options, and any other forms of compensation; the Chief Executive Officer's recommendation for salaries, budgets, organization and manpower plans, and succession planning; performance appraisals and overall compensation as recommended by the Chief Executive Officer for senior officers; after consultation with the Chief Executive Officer, appointment of new officers; the compensation of the Chief Executive Officer; and the adoption or amendments of incentive compensation plans and equity-based plans, including whether security holder approval should be obtained, subject to the advice of the Corporation's legal counsel.

In addition, the Compensation and Corporate Governance Committee has the responsibility of, among other things: establishing an appropriate system to evaluate the effectiveness of the Board as a whole as well as its committees and individual directors; monitoring conflicts of interest of both the Board and management; conducting periodic reviews of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness; periodically reviewing the Board and committee mandates, and recommending to the Board that necessary changes be made; reviewing and recommending to the Board the appropriate structure, size, composition, mandate and members for Board committees, and the procedures to ensure that the Board and its committees function independently of management; providing the Board with updates on developments in corporate governance; reviewing monitoring and making recommendations regarding new director orientation and ongoing development of existing directors; and reviewing reports regarding unethical behaviour.

Majority Voting Policy

The Corporation has adopted a majority voting policy which requires that any nominee for director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the Board following the meeting of shareholders at which the directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors being elected. The Board considers the resignation, and whether or not it should be accepted. In doing so, the Board considers any stated reasons as to why shareholders withheld votes from the election of the relevant director, continued compliance with applicable corporate and securities laws, if the director is a key member of an established, active special committee which has a defined term or mandate and accepting the resignation of such director would jeopardize the achievement of the special committee's defined term or mandate, and any other factors that the members of the Board consider relevant. The nominee shall not participate in any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the

applicable meeting at which directors were elected. If a resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation.

Advance Notice Policy

The Corporation has adopted an advance notice policy, pursuant to an amendment to the Corporation's articles on June 23, 2021, which contains certain advance notice provisions with respect to the election of directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director is required to provide notice, in the prescribed form, within the prescribed time periods. These time periods include: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days and not more than 65 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than 5 p.m. PST on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than 5 p.m. PST on the 15th day following the Notice Date.

Other Board Committees

The Board has no committees other than the Audit Committee and the Compensation and Corporate Governance Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. However, discussions pertaining to (i) the efficiency of the Board and of its committees, and (ii) the participation and the input of the members thereto are held regularly in lieu of a formal assessment. It is anticipated that the Compensation and Corporate Governance Committee will be responsible for implementing an assessment process which assessment will include each director's contribution, qualification as an independent director, as well as diversity, skills and experience in the context of the needs of the Board.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of the compensation of the Corporation's named executive officers, or NEOs, which are comprised of the Corporation's Chief Executive Officer, Chief Financial Officer and:

- (a) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and

- (b) each individual who would be an NEO under the foregoing but for the fact that the individual was neither an executive officer of the Corporation or its Subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The Corporation's NEOs for Fiscal 2021 were (a) David Bibby, current Chief Executive Officer, (b) Bronson Peever, former Chief Executive Officer, (c) Marlis Yassin, former Chief Financial Officer, and (d) Chris Cherry, former Chief Financial Officer.

Compensation Discussion and Analysis

Compensation Governance

Please see *"Corporate Governance – Nomination and Compensation of Directors and Executive Officers"* for information regarding the Compensation and Corporate Governance Committee's role and responsibilities with respect to reviewing and determining director and executive compensation.

The Elements of the Corporation's Compensation Program

The compensation of the Corporation's executive officers includes three major elements: (i) base salary; (ii) short-term incentives, consisting of annual bonuses; and (iii) long-term equity incentives, consisting of Options, RSUs, and PSUs granted under the Omnibus Plan. Perquisites and personal benefits are not a significant element of compensation of the Corporation's executive officers.

The Objective of the Corporation's Compensation Program

The objective of the Corporation's compensation program is to: (a) provide compensation packages which attract, motivate and retain executive officers whose skills, experience and management capabilities are critical to the Corporation's ongoing success; (b) motivate the Corporation's executive officers to achieve organizational objectives – growth, financial and cultural; (c) align the interests of the Corporation's executive officers with those of the Corporation's shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of the Corporation's business; and (d) provide incentives that drive an appropriate level of innovation and risk taking so that the executive officer's efforts continue to move the business forward.

What the Corporation's Compensation Program is Designed to Reward

The Corporation's compensation program is designed to reward senior management for achieving the Corporation's business objectives as well as increases in shareholder value resulting from increased value or potential value in the Corporation's business prospects, whether through achievement of operational milestones or successful completion of significant transactions and M&A or financings.

Why the Corporation Chooses to Pay Each Element of its Compensation Program

The Corporation pays a base salary as part of its compensation program to: (i) provide each NEO with sufficient, regularly-paid income; (ii) recognize each NEO's unique value and contribution to the success of the Corporation; and (iii) reflect each NEO's position and level of responsibility.

The Corporation pays annual bonuses to motivate the Corporation's NEOs to achieve the Corporation's annual business objectives, including our annual financial performance targets.

The Corporation grants Options as part of its compensation program in order to: (i) align NEOs' interests with the interests of the Corporation's shareholders; (ii) reward long-term performance by allowing NEOs to participate in any long-term market appreciation of the Common Shares; and (iii) ensure the Corporation is competitive with its

comparable industry peers from a total remuneration standpoint and to encourage executive officer retention, commitment and focus on long-term growth.

How the Corporation Determines the Amount for Each Element and How Each Element Affects Decisions About Other Elements and Fits into the Corporation's Overall Compensation Objectives

The Board determines the amount of each element of the Corporation's compensation program for its NEOs. The three principal elements of the compensation program will be determined, and will affect decisions about other elements and fit into the Corporation's overall compensation strategy, as described below.

Base Salaries

The Board considers some or all of the following factors in determining base salary: (i) the overall performance of the Corporation and the particular NEO; (ii) base salaries and overall compensation paid to senior management of comparable industry peers (without specific benchmarking); (iii) the relationship among base salaries paid within the Corporation and individual experience and contribution; (iv) general market conditions and the Corporation's financial condition; (v) other compensation received by the NEO; and (vi) competition for qualified personnel. The intent is to fix base salaries at levels that are consistent with the Corporation's compensation program objective.

Adjustments to base salaries will be determined periodically and may be increased based on factors such as the NEO's success in meeting or exceeding individual objectives and an assessment of the competitiveness of the then current compensation. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions, other changes in the scope or breadth of a NEO's role or responsibilities, or for such other reasons as may be determined by the Board.

Short-Term Incentive Compensation

In determining annual bonuses and other short-term incentive compensation, the Board considers some or all of the following: (i) the performance of a number of factors, including individual performance combined with the Corporation's performance; (ii) operational competence; (iii) human resource metrics; (iv) strategic contributions; (v) general market conditions and the Corporation's financial condition; and (vi) other compensation received by the NEO.

Long-Term Incentive Compensation

In determining grants of Options and other long-term incentive compensation, such as RSUs and PSUs, the Board considers some or all of the following factors: (i) the overall performance of the Corporation and the particular NEO; (ii) the relationship among Awards granted within the Corporation and individual experience and contribution; (iii) general market conditions and the Corporation's financial condition and the Common Share trading price; and (iv) the aggregate number of Awards outstanding and the number of Awards currently held by the particular NEO and the terms thereof. The intent is to fix Award grants at levels that are consistent with the Corporation's compensation program objective. The Board also considers the number of Awards available for grant in determining whether to make any new grants of Awards and the size of such grants.

For more information with respect to the Omnibus Plan, see "*Options And Other Rights To Purchase Securities – Omnibus Plan*" above.

The Corporation's executive compensation is not expected to be determined by reference to any formulas or similar conditions. The Board believes that fixed formulas can lead to an unwanted result that does not reflect real performance. Accordingly, an overall review of the NEO's performance and contributions is preferred.

Hedging Activities

Although the Corporation has no plans for a formal hedging policy to be in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Corporation's knowledge, no NEO or director has plans to hedge the economic value of their direct or indirect interests in the market value of the Common Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board and the Compensation and Corporate Governance Committee will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Board and the Compensation and Corporate Governance Committee is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Board and the Compensation and Corporate Governance Committee takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incentivizing them to continue that success through the grant of long-term incentive awards. In addition, the Omnibus Plan limits the number of Awards a particular NEO is entitled to receive.

Summary Compensation Table

For each NEO and director in the Corporation's most recently completed financial year, the following table sets forth the total compensation paid to or earned by such NEO for the Corporation's three most recently completed financial years.

Name and Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David Bibby ⁽¹⁾ <i>CEO and Director</i>	2021	64,055	281,353 ⁽²⁾	Nil	30,000	Nil	Nil	Nil	377,388
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bronson Peever ⁽³⁾ <i>Director & former CEO, President & Corporate Secretary</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil	48,300	48,300
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marlis Yassin ⁽⁴⁾ <i>Former CFO and Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil	37,275	37,275
	2020	Nil	Nil	Nil	Nil	Nil	Nil	19,950	19,950
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Christopher Cherry⁽⁵⁾ <i>Former CFO</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil	11,025	11,025
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Bibby was appointed as Chief Executive Officer and a director of the Corporation on June 1, 2021.
- (2) On November 12, 2021, the Corporation entered into an amended employment agreement with Mr. Bibby to, *inter alia*, replace its obligation to issue 1,000,000 Common Shares to Mr. Bibby with the obligation to grant to Mr. Bibby 1,000,000 Options, exercisable at \$0.25 per Common Share until June 29, 2026, vesting in four (4) equal tranches every six (6) months following the date of grant.
- (3) Mr. Peever has been a director of the Corporation since June 24, 2019. Mr. Peever acted as the Corporation's corporate secretary from June 24, 2019 to June 1, 2021; CEO from June 24, 2019 to June 15, 2021; and President from March 5, 2020 to June 15, 2021.
- (4) Ms. Yassin acted as the Corporation's CFO and a director from June 24, 2019 to May 26, 2021. Ms. Yassin provided her services through Sentinel Corporate Services Inc. All compensation attributed to Ms. Yassin was paid to Sentinel Corporate Services Inc. Sentinel Corporate Services Inc. is owned by a family member of Ms. Yassin.
- (5) Mr. Cherry acted as the Corporation's CFO from June 1, 2021 to August 31, 2021. Mr. Cherry provided his services through Cherry Consulting Ltd., a company wholly-owned by Mr. Cherry. All compensation attributed to Mr. Cherry was paid to Cherry Consulting Ltd.

Incentive Plan Awards

Option-Based and Share-Based Awards Outstanding

The following table sets forth details of all Awards outstanding for each NEO at the end of the financial year ended August 31, 2021.

Name and Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
David Bibby⁽¹⁾ <i>CEO and Director</i>	1,000,000	\$0.25	June 29, 2026	-	Nil	Nil	Nil
Bronson Peever⁽²⁾ <i>Director & former CEO, President & Corporate Secretary</i>	Nil	N/A	N/A	N/A	Nil	Nil	Nil
Marlis Yassin⁽³⁾ <i>Former CFO and Director</i>	Nil	N/A	N/A	N/A	Nil	Nil	Nil
Christopher Cherry⁽⁴⁾ <i>Former CFO</i>	Nil	N/A	N/A	N/A	Nil	Nil	Nil

Notes:

- (1) Mr. Bibby was appointed as Chief Executive Officer and a director of the Corporation on June 1, 2021.
- (2) Mr. Peever has been a director of the Corporation since June 24, 2019. Mr. Peever acted as the Corporation's corporate secretary from June 24, 2019 to June 1, 2021; CEO from June 24, 2019 to June 15, 2021; and President from March 5, 2020 to June 15, 2021.

- (3) Ms. Yassin acted as the Corporation's CFO and a director from June 24, 2019 to May 26, 2021. Ms. Yassin provided her services through Sentinel Corporate Services Inc. All compensation attributed to Ms. Yassin was paid to Sentinel Corporate Services Inc. Sentinel Corporate Services Inc. is owned by a family member of Ms. Yassin.
- (4) Mr. Cherry acted as the Corporation's CFO from June 1, 2021 to August 31, 2021. Mr. Cherry provided his services through Cherry Consulting Ltd., a company wholly-owned by Mr. Cherry. All compensation attributed to Mr. Cherry was paid to Cherry Consulting Ltd.

Value Vested or Earned During the Year Table

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the year ended August 31, 2021.

Name and Position	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David Bibby⁽¹⁾ <i>CEO and Director</i>	Nil	Nil	Nil
Bronson Peever⁽²⁾ <i>Director & former CEO, President & Corporate Secretary</i>	Nil	Nil	Nil
Marlis Yassin⁽³⁾ <i>Former CFO and Director</i>	Nil	Nil	Nil
Christopher Cherry⁽⁴⁾ <i>Former CFO</i>	Nil	Nil	Nil

Notes:

- (1) Mr. Bibby was appointed as Chief Executive Officer and a director of the Corporation on June 1, 2021.
- (2) Mr. Peever has been a director of the Corporation since June 24, 2019. Mr. Peever acted as the Corporation's corporate secretary from June 24, 2019 to June 1, 2021; CEO from June 24, 2019 to June 15, 2021; and President from March 5, 2020 to June 15, 2021.
- (3) Ms. Yassin acted as the Corporation's CFO and a director from June 24, 2019 to May 26, 2021. Ms. Yassin provided her services through Sentinel Corporate Services Inc. All compensation attributed to Ms. Yassin was paid to Sentinel Corporate Services Inc. Sentinel Corporate Services Inc. is owned by a family member of Ms. Yassin.
- (4) Mr. Cherry acted as the Corporation's CFO from June 1, 2021 to August 31, 2021. Mr. Cherry provided his services through Cherry Consulting Ltd., a company wholly-owned by Mr. Cherry. All compensation attributed to Mr. Cherry was paid to Cherry Consulting Ltd.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by the Corporation and none are proposed at this time.

Employment, Consulting, and Management Agreements

The Corporation has in place the following employment, consulting or management agreements between the Corporation or any subsidiary or affiliate thereof and its NEOs:

David Bibby, Director and Chief Executive Officer

The Corporation is party to an employment agreement with David Bibby, the Chief Executive Officer and a director of the Corporation (the "**Bibby Employment Agreement**"), dated June 15, 2021, and amended on November 12, 2021. Pursuant to the terms of the Bibby Employment Agreement, Mr. Bibby is entitled to a salary of \$250,000 per annum plus a performance bonus of up to 40% of his base salary based on performance objectives set by the Board. Pursuant to the Bibby Employment Agreement, Mr. Bibby also received 1,000,000 Options, exercisable at \$0.25 per Common Share until June 29, 2026.

The Corporation may terminate Mr. Bibby at any time for just cause. The Corporation may also terminate Mr. Bibby at any time upon providing Mr. Bibby with notice of termination or payment in lieu of notice, or a combination thereof, in an amount equal to 12 months' notice or pay in lieu of notice, plus one additional month of notice or pay in lieu of notice for every completed year of service. In the event of termination of Mr. Bibby's employment without cause as a result of a change in control, sale or merger of the Corporation, Mr. Bibby will be entitled to an amount equal to 12 months' salary.

Kara James, Chief Financial Officer

The Corporation is party to a management agreement with PubCo Reporting Solutions Inc. ("**PubCo**") dated June 1, 2021 (the "**PubCo Agreement**"), pursuant to which PubCo has agreed to provide chief financial officer services to the Corporation beginning on September 1, 2021. The Corporation's CFO, Kara James, is a subcontractor of PubCo and provides services to the Corporation pursuant to the PubCo Agreement. Pursuant to the PubCo Agreement, the Corporation (i) pays to PubCo a flat monthly fee of \$2,500; (ii) pays to PubCo an hourly rate of \$125, and (iii) reimburses it for pre-approved out of pocket expenses. The Corporation also paid PubCo a one-time \$25,000 onboarding fee pursuant to the PubCo Agreement.

The PubCo Agreement provides that the agreement may be terminated upon 30 days' written notice by either party. Upon termination, the Corporation shall pay to PubCo all fees which have accrued up to the date of termination and which remain unpaid as of the date of termination.

Director Compensation

During the year ended August 31, 2021, the directors who are not also executive officers received the following compensation:

	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Liam Firus ⁽¹⁾ <i>Director</i>	45,000	Nil	Nil	Nil	Nil	Nil	45,000
Harrison Newlands ⁽²⁾ <i>Director</i>	Nil	Nil	Nil	Nil	Nil	24,000	24,000

Notes:

- (1) Mr. Firus has been a director of the Corporation since October 11, 2019.
- (2) Mr. Newlands acted as a director of the Corporation from June 23, 2021 to November 1, 2021.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the Corporation's directors or executive officers, or associates or affiliates of the foregoing persons is indebted to the Corporation or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F1 require the Corporation to disclose certain information relating to the Audit Committee and its relationship with the Corporation's independent auditors.

Audit Committee Charter

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

Composition of Audit Committee

The members of the Corporation's Audit Committee are:

Shahab Samimi (Chair)	Independent ⁽¹⁾	Financially literate ⁽²⁾
Vitaly Golomb	Independent ⁽¹⁾	Financially literate ⁽²⁾
Liam Firus	Not Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation. Mr. Firus is not independent of the Corporation because he has received compensatory fees other than as remuneration for acting in his capacity as a member of the Board. Messrs. Samimi and Golomb are independent of the Corporation.
- (2) An individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Each member of the Corporation's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details of each Audit Committee member's relevant education and experience.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company has relied upon the exemption provided in section 6.1 of NI 52-110, which states that the Corporation, as a venture issuer (as defined in NI 52-110) is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*). Pursuant to section 6.1.1(3) of NI 52-110, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation.

The Corporation is considered a venture issuer for the purposes of NI 52-110 because at the end of its most recently completed financial year, the Corporation did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by the PLUS Markets Group plc.

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, or 3.8 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve, in advance, the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Corporation's external auditors in each of the last three fiscal years for audit and non-audit related services provided to the Corporation or its subsidiaries (if any) are as follows:

Financial Year End	Audit Fees (\$)	Audit Related Fees⁽¹⁾ (\$)	Tax Fees⁽²⁾ (\$)	All other Fees⁽³⁾ (\$)
August 31, 2021	31,844	Nil	Nil	Nil
August 31, 2020	6,073	Nil	Nil	Nil
August 31, 2019	5,314	Nil	900	Nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included in the Audit Fees column.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

PLAN OF DISTRIBUTION

This Prospectus is being filed by the Corporation to qualify for distribution: (i) 10,000,000 Subscription Receipt Shares issuable upon the deemed exercise or exchange of the previously issued Subscription Receipts; (ii) 554,253 ACO Shares issuable upon exercise of the Agents' Compensation Options; and (ii) 41,666 Corporate Finance Shares issuable upon satisfaction of the Escrow Release Conditions.

Under the Subscription Receipt Private Placement, the Corporation issued an aggregate of 10,000,000 Subscription Receipts at a price of \$0.60 per Subscription Receipt and received aggregate gross proceeds of \$6,000,000. The Escrowed Funds were deposited into escrow and are held by the Escrow Agent in a separate interest-bearing account, with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions, at which time the balance of the Escrowed Funds together with the interest earned thereon will be accessible by the Corporation. The Issue Price was determined by negotiation between the Corporation and the Lead Agent, on behalf of the Agents.

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged and immediately thereupon cancelled, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one Subscription Receipt Share following the satisfaction of the Escrow Release Conditions. Upon the deemed exercise or exchange of the Subscription Receipts, and without additional payment therefor, the Corporation will issue 10,000,000 Subscription Receipt Shares.

In consideration for the services rendered by the Agents under the Subscription Receipt Private Placement, the Corporation issued to the Agents 554,253 Agents' Compensation Options, equal to 7% of the number of Subscription Receipts sold under the Subscription Receipt Private Placement and, in respect of President's List purchasers, the number of Agents' Compensation Options was reduced to that number equal to 3.5% of the Subscription Receipts sold to such purchasers. Each Agents' Compensation Option is exercisable for the purchase of one ACO Share at an exercise price of \$0.60 per Common Share for a period of 24 months from the earlier of (i) the date on which the Escrow Release Conditions are satisfied; and (ii) the Escrow Release Deadline. The Agents' Cash Fee of \$332,552, equal to 7% of the gross proceeds from the Subscription Receipt Private Placement (reduced to 3.5% in respect of President's List purchasers), is payable to the Agents, with 50% of the Agents' Cash Fee having been paid to the Agents on the Closing Date and the remaining 50% deposited with the Escrowed Funds under the Subscription Receipt Agreement.

In addition, the Corporate Finance Fee of \$100,000, plus HST, is payable by the Corporation to the Lead Agent, 50% of which was paid in cash on the Closing Date, and the remaining 50%, being the Escrowed Corporate Finance Fee, was deposited with the Escrowed Funds under the Subscription Receipt Agreement and is payable to the Lead Agent upon the satisfaction of the Escrow Release Conditions as follows: (i) 50% of the Escrowed Corporate Finance Fee, together with any interest accrued thereon and the HST payable on the Escrowed Corporate Finance Fee, shall be paid in cash, and (ii) the remaining 50% of the Escrowed Corporate Finance Fee shall be paid and satisfied through the issuance of 41,666 Corporate Finance Fee Shares at a deemed price equal to the Issue Price.

The aggregate gross proceeds of the Subscription Receipt Private Placement, less 50% of the Agents' Cash Fee, 50% of the Corporate Finance Fee, and the Agents' expenses incurred in connection with the Subscription Receipt Private Placement up to the Closing Date, which were paid on the Closing Date, are held in escrow by the Escrow Agent under the Subscription Receipt Agreement until satisfaction of the Escrow Release Conditions or its earlier termination. The balance of the Agents' expenses will be paid by the Corporation upon the earlier of the satisfaction of the Escrow Release Conditions and the occurrence of a Termination Event.

If: (i) the Escrow Release Conditions are not satisfied prior to the Escrow Release Deadline; or (ii) prior to the Escrow Release Deadline the Corporation advises the Lead Agent or announces to the public that it does not intend to satisfy any of the Escrow Release Conditions (each such event being a "**Termination Event**"), the Subscription Receipt Agent will return to each holder of Subscription Receipts, as soon as practicable following the Termination Event, an amount equal to: (A) the aggregate Subscription Price of the Subscription Receipts held by such holder; and (B) their pro rata portion of interest earned on the Escrowed Funds (less applicable withholding tax, if any) and the Subscription Receipts will be cancelled without any further action on the part of the holders. The Corporation shall be responsible and liable to the holders of Subscription Receipts for any shortfall between the aggregate Subscription Price paid by the original holders of the Subscription Receipts and the Escrowed Funds.

In addition to the foregoing description of the rights of the holders of the Subscription Receipts, each holder of the Subscription Receipts is entitled to a contractual right of rescission. See “*Contractual Right of Rescission*”.

There is currently no public market for the Common Shares. The Corporation intends to apply to list the Common Shares, including the Subscription Receipt Shares, Corporate Finance Fee Shares, and the ACO Shares, on the Exchange. Listing of such Common Shares will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

The Subscription Receipts and the Subscription Receipt Shares have not been and will not be registered under the United States *Securities Act of 1933, as amended* (the “**U.S. Securities Act**”), or “blue sky” laws of any of the states of the United States. Accordingly, the Subscription Receipts and the Subscription Receipt Shares were not offered or sold within the United States except in accordance with an exemption from the registration requirements of the U.S. Securities Act, as amended, and applicable state securities laws.

RISK FACTORS

The following are certain risk factors relating to an investment in Common Shares which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this Prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the Common Shares.

Risks Related to the Corporation’s Business and Industry

Limited History of Operations

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any significant revenue since commencing operations, has no source of operating cashflow, and there is no assurance that additional funding will be available to it for further development of the Corporation's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Corporation's business.

Negative Cash Flow from Operating Activities

The Corporation has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Corporation’s existing plans. There is no assurance that the Corporation’s business will generate earnings, operate profitably, or provide a return on investment in the near future. Accordingly, the Corporation may be required to obtain additional financing in order to meet its future cash commitments.

Consumer Adoption of Electric Vehicles

The Corporation’s growth is highly dependent upon the adoption by consumers of EVs, and the Corporation is subject to the risk of reduced demand for EVs. If the market for EVs does not gain broad market acceptance or develops slower than expected, the Corporation’s business, prospects, financial condition and operating results will be

harmed. The market for alternative fuel vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements, long development cycles for EV original equipment manufacturers, and changing consumer demands and behaviors.

Factors that may influence the purchase and use of alternative fuel vehicles, specifically EVs, include: perceptions about EV quality; safety (in particular with respect to lithium-ion battery packs); design; performance; cost; if adverse events or accidents occur that are linked to the quality or safety of EVs; the limited range over which EVs may be driven on a single battery charge and concerns about running out of power while in use; improvements in the fuel economy of the internal combustion engine; consumers' desire and ability to purchase a luxury automobile or one that is perceived as exclusive; the environmental consciousness of consumers; volatility in the cost of oil and gasoline; consumers' perceptions of the dependency of the United States on oil from unstable or hostile countries and the impact of international conflicts; government regulations and economic incentives promoting fuel efficiency and alternate forms of energy; access to charging stations, standardization of EV charging systems and consumers' perceptions about convenience and cost to charge an EV; and the availability of tax and other governmental incentives to purchase and operate EVs or future regulation requiring increased use of nonpolluting vehicles.

The influence of any of the factors described above may negatively impact the widespread consumer adoption of EVs, which would materially and adversely affect the Corporation's business, operating results, financial condition, and prospects.

Reliance on Third Party Manufacturers

The Corporation relies on a limited number of suppliers for design, testing and manufacturing of EV charging equipment which generally is singularly sourced with respect to components as well as aftermarket maintenance and warranty services. The reliance on a limited number of suppliers increases the Corporation's risks, since it does not currently have proven reliable alternatives or replacement vendors beyond these key parties. In the event of production interruptions or supply chain disruptions including but not limited to the availability of certain key components such as semiconductors, the Corporation may not be able to take advantage of increased production from other sources or develop alternate or secondary vendors without incurring additional material costs and substantial delays. Therefore, the Corporation's business would be adversely affected if one or more of its suppliers is impacted by any interruption at a particular location.

As the demand for public charging increases, the EV charging equipment suppliers may not be able to dedicate sufficient supply chain, production, or sales channel capacity to keep up with the required pace of charging infrastructure expansion. In addition, as the EV market grows, the industry may be exposed to deteriorating design requirements, undetected faults or the erosion of testing standards by charging equipment and component suppliers, which may adversely impact the performance, reliability and lifecycle cost of the chargers. If the Corporation or its suppliers experience a significant increase in demand, or if the Corporation needs to replace an existing supplier, it may not be able to supplement services or replace them on acceptable terms, which may impact the Corporation's ability to install chargers in a timely manner. Thus, a loss of any significant supplier would have an adverse effect on the Corporation's business, financial condition and operating results.

Revenues Concentrated in a Small Number of Customers

The Corporation has a few large customers from which the Corporation anticipates generating a large portion of its revenues. To date, three of the Corporation's customers have made up approximately 73% of the Corporation's total revenues. The timing of receipt of orders from these customers may be irregular and may create fluctuation in the Corporation's revenues. In addition, there is no obligation for these customers to purchase any additional units or renew the contracts when they expire. If any of these customers significantly reduced their purchases or terminated their contracts, the Corporation's results of operations would be adversely affected.

Competition

The Corporation faces strong competition from competitors in the EV charging services industry, including competitors who could duplicate the Corporation's model. Many of these competitors may have substantially greater financial, marketing and development resources and other capabilities than the Corporation. In addition, there are very few barriers to entry into the market for the Corporation's services. There can be no assurance, therefore, that any of the Corporation's current and future competitors, many of whom may have far greater resources, will not independently develop services that are substantially equivalent or superior to the Corporation's services. Therefore, an investment in the Corporation is very risky and speculative due to the competitive environment in which it may operate.

The Corporation's competitors may be able to provide customers with different or greater capabilities or benefits than we can provide in areas such as technical qualifications, past contract performance, geographic presence and driver price. Further, many of the Corporation's competitors may be able to utilize substantially greater resources and economies of scale to develop competing products and technologies, divert sales away from the Corporation by winning broader contracts or hire away the Corporation's employees by offering more lucrative compensation packages. In the event that the market for EV charging stations expands, the Corporation expects that competition will intensify as additional competitors enter the market and current competitors expand their product lines. In order to secure contracts successfully when competing with larger, well-financed companies, the Corporation may be forced to agree to contractual terms that provide for lower aggregate payments to the Corporation over the life of the contract, which could adversely affect the Corporation's margins. The Corporation's failure to compete effectively with respect to any of these or other factors could have a material adverse effect on its business, prospects, financial condition or operating results.

Ability to Expand Sales and Marketing Capabilities

The Corporation's ability to grow its customer base, achieve broader market acceptance, grow revenue, and achieve and sustain profitability will depend, to a significant extent, on its ability to effectively expand its sales and marketing operations and activities. Sales and marketing expenses represent a significant percentage of its total revenue, and its operating results will suffer if sales and marketing expenditures do not contribute significantly to increasing revenue.

The Corporation is substantially dependent on its direct sales force to obtain new customers. The Corporation plans to continue to expand its direct sales force both domestically and internationally, but it may not be able to recruit and hire a sufficient number of sales personnel, which may adversely affect its ability to expand its sales capabilities. New hires require significant training and time before they achieve full productivity, particularly in new sales territories. Recent hires and planned hires may not become as productive as quickly as anticipated and the Corporation may be unable to hire or retain sufficient numbers of qualified individuals. Furthermore, hiring sales personnel in new countries can be costly, complex, and time-consuming; and requires additional set up and upfront costs that may be disproportionate to the initial revenue expected from those countries. There is significant competition for direct sales personnel with strong sales skills and technical knowledge. The Corporation's ability to achieve significant revenue growth in the future will depend, in large part, on its success in recruiting, training, incentivizing and retaining a sufficient number of qualified direct sales personnel and on such personnel attaining

desired productivity levels within a reasonable amount of time. The Corporation's business will be harmed if continuing investment in its sales and marketing capabilities does not generate a significant increase in revenue.

Evolving Technologies

Continuing technological changes in battery and other EV technologies could adversely affect adoption of current EV charging technology and/or the Corporation's products. The Corporation's future success will depend upon its ability to develop and introduce a variety of new capabilities and innovations to its existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the EV charging market. As new products are introduced, gross margins tend to decline in the near term and improve as the product becomes more mature with a more efficient manufacturing process.

As EV technologies change or governmental regulations impose new requirements on EV charging technology, the Corporation may need to upgrade or adapt its charging station technology and introduce new products and services in order to serve vehicles that have the latest technology, in particular battery cell technology, or comply with new governmental regulations, which could involve substantial costs. Even if the Corporation is able to keep pace with changes in technology and develop new products and services, its research and development expenses could increase, its gross margins could be adversely affected in some periods and its prior products could become obsolete or non-compliant with governmental regulations more quickly than expected. The Corporation cannot guarantee that any new products will be released in a timely manner, or at all, or achieve market acceptance. Delays in delivering new products that meet customer requirements could damage the Corporation's relationships with customers and lead them to seek alternative providers. Delays in introducing products and innovations or the failure to offer innovative products or services at competitive prices may cause existing and potential customers to purchase the Corporation's competitors' products or services. Finally, new or changing provincial, state, federal or international regulations may result in delays in the development of new products or modifications to existing products in order to come into compliance and any such delays may result in customer's selecting alternative providers or result in delays related to the Corporation's ability to install, sell or distribute its charging station technology.

If the Corporation is unable to devote adequate resources to develop products or cannot otherwise successfully develop products or services that meet customer and regulatory requirements on a timely basis or that remain competitive with technological alternatives, its products and services could lose market share, its revenue may decline, it may experience higher operating losses and its business and prospects may be adversely affected.

Product Defects

Although the Corporation's products meet its stringent quality requirements, the Corporation's products may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects, or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects, or poor performance in the Corporation's products could result in the replacement or recall of its products, shipment delays, rejection of its products, damage to its reputation, lost revenue, and increases in customer service and support costs, all of which could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

Product Liability Claims

If one or more of the Corporation's products were to cause injury to someone or cause property damage, including as a result of product malfunctions, defects, or improper installation, then the Corporation could be exposed to product liability claims. The Corporation could incur significant costs and liabilities if it is sued and if damages are awarded against the Corporation. Further, any product liability claim the Corporation faces could be expensive to defend and could divert management's attention. The successful assertion of a product liability claim against the

Corporation could result in potentially significant monetary damages, penalties or fines, subject the Corporation to adverse publicity, damage its reputation and competitive position, and adversely affect sales of its products. In addition, product liability claims, injuries, defects, or other problems experienced by other companies in the EV charging industry could lead to unfavorable market conditions for the industry as a whole and may have an adverse effect on the Corporation's ability to attract new customers, thus harming its growth and financial performance.

Management of Growth

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will make the necessary investments in infrastructure to process anticipated volume increases in the short term, the Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Acquisition of Businesses or Assets

The Corporation may pursue strategic acquisitions in the future. Risks in acquisition transactions include difficulties in the integration of acquired businesses into the Corporation's operations and control environment, difficulties in assimilating and retaining employees and intermediaries, difficulties in retaining the existing clients of the acquired entities, assumed or unforeseen liabilities that arise in connection with the acquired businesses, the failure of counterparties to satisfy any obligations to indemnify the Corporation against liabilities arising from the acquired businesses, and unfavorable market conditions that could negatively impact the Corporation's growth expectations for the acquired businesses. Fully integrating an acquired company or business into the Corporation's operations may take a significant amount of time. There is no certainty that the Corporation will be successful in overcoming these risks or any other problems encountered with acquisitions and other strategic transactions. These risks may prevent the Corporation from realizing the expected benefits from acquisitions and could result in the failure to realize the full economic value of a strategic transaction or the impairment of goodwill and/or intangible assets recognized at the time of an acquisition. These risks could be heightened if the Corporation completes a large acquisition or multiple acquisitions within a short period of time.

Improvements to Fuel Economy Standards

As regulatory initiatives have required an increase in the consumption of renewable transportation fuels, such as ethanol and biodiesel, consumer acceptance of electric and other alternative vehicles is increasing. To meet higher fuel efficiency and greenhouse gas emission standards for passenger vehicles, automobile manufacturers are increasingly using technologies such as turbocharging, direct injection and higher compression ratios, which require high octane gasoline. If fuel efficiency of vehicles continues to rise, and affordability of vehicles using renewable transportation fuels increases, the demand for electric and high energy vehicles could diminish. If consumers no longer purchase EVs, it would materially and adversely affect the Corporation's business, operating results, financial condition and prospects.

Changes in Regulatory Environment

The Corporation's business is subject to a variety of federal, provincial, state and international laws and regulations, including those with respect to government incentives promoting fuel efficiency and alternate forms of energy, electric vehicles and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. Any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, fiscal tightening or other reasons may result in diminished revenues from government sources and diminished demand for the Corporation's products. In addition, new laws or regulations affecting the Corporation's business could be enacted. These laws and regulations are frequently costly to comply with and may divert a significant portion of management's attention. If the Corporation fails to comply with these applicable laws or regulations, the Corporation could be subject to significant liabilities which could adversely affect its business.

There are many federal, provincial, state and international laws that may affect the Corporation's business, including measures to regulate EVs and charging systems. If the Corporation fails to comply with these applicable laws or regulations, the Corporation could be subject to significant liabilities which could adversely affect its business.

Installation of the Corporation's products may be subject to oversight and regulation in accordance with national and local ordinances, building codes, zoning, environmental protection regulation, utility interconnection requirements for metering and other rules and regulations. The Corporation attempts to keep up to date with these requirements on a national, provincial, state, and local level, and must design systems to comply with varying standards. Certain cities may have ordinances that increase the cost of installation of the Corporation's products. In addition, new government regulations or utility policies pertaining to power systems are unpredictable and may result in significant additional expenses or delays in the installation of the Corporation's products and, as a result, could cause a significant reduction in demand for the Corporation's products.

Availability of Rebates, Tax Credits, and Other Financial Incentives

Certain municipalities, provinces, and the federal government offer substantial incentives to offset the cost of EV charging infrastructure. These incentives can take many forms, including direct rebates, project funding, and tax credits. Uncertainty about the introduction of, reduction in, or elimination of such incentives, or delays or interruptions in the implementation of favorable federal, provincial, or municipal laws could substantially increase the cost of the Corporation's systems to some of its customers, resulting in significant reductions in demand for the Corporation's products from customers, which would negatively impact its sales.

Inaccurate Market Forecasts

Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. This is especially so at the present time due to the uncertain and rapidly changing projections of the COVID-19 pandemic recovery pace and impacts from the war in Ukraine. The Corporation's internal estimates relating to the size and expected growth of the target market, market demand, EV adoption across individual market verticals and use cases, capacity of automotive and battery manufacturers and ability of charging infrastructure to address this demand and related pricing may also prove to be inaccurate. In particular, estimates regarding the current and projected market opportunity for public and commercial charging and the Corporation's market share capture are difficult to predict. The estimated addressable market may not materialize in the timeframe of the Corporation's internal projections, if ever, and even if the markets meet the size estimates and growth estimates of the Corporation, the Corporation's business could fail to grow at similar rates.

Risks Associated with COVID-19

The Corporation's business, the businesses of its customers and the businesses of its charging equipment suppliers could be materially and adversely affected by the risks, or the public perception of the risks, related to a pandemic or other health crisis, such as the ongoing presence of COVID-19 and its variants. The supplier of one of the Corporation's level 2 chargers is located in China, and the suppliers of the Corporation's other products source assembly parts from China, which has been particularly impacted by the COVID-19 outbreak and related government restrictions. A significant or prolonged outbreak of contagious diseases like COVID-19 and its variants in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Corporation's EV supply equipment and related networked services and likely impact the Corporation's operating results. Such events could result in the complete or partial closure of the Corporation's supplier's manufacturing facility, the interruption of the Corporation's distribution system, temporary or long-term disruption in the Corporation's supply chains from Asia and other international suppliers, disruptions, or restrictions on the Corporation's employees to work or travel, delays in the delivery of the Corporation's charging stations to customers, and potential claims of exposure to diseases through contact with the Corporation's charging stations. If the impact of an outbreak continues for an extended period, it could materially adversely impact the Corporation's supply chain, access to capital and the growth of the Corporation's revenues.

Supply Chain Disruptions

Global trade conditions and consumer trends that originated during the COVID-19 pandemic continue to persist and have created significant disruptions to the global supply chain, which may impact the Corporation's ability to obtain charging equipment and other supplies necessary for the Corporation's business on a timely basis and at anticipated costs. Additionally, a global shortage of semiconductors has been reported since early 2021 and has caused challenges in the manufacturing industry and impacted the EV supply chain as well. Any continued or new supply chain disruptions, or shortages affecting the Corporation's suppliers, could adversely affect the Corporation's business and operating results.

In addition, the conflict between Russia and Ukraine could lead to disruption, instability and volatility in global markets and industries that could negatively impact the Corporation's supply chain. The Canadian and U.S. governments and other governments have already imposed severe sanctions and export controls against Russia and Russian interests and may yet impose additional sanctions and controls. The impact of these measures, as well as potential responses to them by Russia, is currently unknown and could adversely affect the Corporation's supply chain, which, in turn, could affect the Corporation's business and operating results.

Dependence on Management Team and Personnel

The Corporation will depend on certain key senior managers to oversee core marketing, business development, operational and fundraising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Corporation's future performance. Additionally, the Corporation may be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Corporation.

Technological Risks

Computer malware, viruses, physical or electronic break-ins and similar disruptions could lead to interruption and delays in the Corporation's services and operations and loss, misuse or theft of data. Computer malware, viruses, computer hacking and phishing attacks against online networking platforms have become more prevalent and may occur on the Corporation's systems in the future. Any attempts by hackers to disrupt the Corporation's website service or its internal systems, if successful, could harm the Corporation's business, be expensive to remedy and

damage the Corporation's reputation or brand. The Corporation's insurance may not be sufficient to cover significant expenses and losses related to direct attacks on the Corporation's website or internal systems. Efforts to prevent hackers from entering the Corporation's computer systems are expensive to implement and may limit the functionality of its services. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of the Corporation's products and services and technical infrastructure may harm its reputation, brand and its ability to attract customers. Any significant disruption to the Corporation's website or internal computer systems could result in a loss of customers and could adversely affect the Corporation's business and results of operations.

The Corporation may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, third-party service providers, human or software errors and capacity constraints. If the Corporation's mobile application is unavailable when customers attempt to access it or it does not load as quickly as they expect, customers may seek other services.

The Corporation's platform functions on software that is highly technical and complex and may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in the Corporation's software code may only be discovered after the code has been deployed. Any errors, bugs or vulnerabilities discovered in the Corporation's code after deployment, inability to identify the cause or causes of performance problems within an acceptable period of time or difficulty maintaining and improving the performance of the Corporation's platform, particularly during peak usage times, could result in damage to the Corporation's reputation or brand, loss of revenues, or liability for damages, any of which could adversely affect the Corporation's business and financial results.

Risks Related to the Corporation's Mobile Application

The Corporation is dependent on the interoperability of its mobile applications with popular mobile operating systems that the Corporation does not control, such as Google's Android and iOS, and any changes in such systems that degrade the functionality of the Corporation's products or give preferential treatment to competitive products could adversely affect the usage of the Corporation's applications on mobile devices. Additionally, to deliver high quality mobile products, it is important that the Corporation's products work well with a range of mobile technologies, systems, networks and standards that it does not control. The Corporation may not be successful in developing relationships with key participants in the mobile industry or in developing products that operate effectively with these technologies, systems, networks or standards.

Lack of International EV Standards

Lack of industry standards for EV station management, coupled with utilities and other large organizations mandating their own adoption of specifications that have not become widely adopted in the industry, may hinder innovation or slow new product or new feature introduction.

In addition, automobile manufacturers may choose to utilize their own proprietary systems, which could lock out competition for EV charging stations, or to use their size and market position to influence the market, which could limit the Corporation's market and reach to customers, negatively impacting its business.

Further, should regulatory bodies later impose a standard that is not compatible with the Corporation's infrastructure, it may incur significant costs to adapt its business model to the new regulatory standard, which may require significant time and, as a result, may have a material and adverse effect on its revenue or results of operations.

Third-Party Intellectual Property Claims

The EV and EV charging industries are characterized by the existence of many patents, copyrights, trademarks and trade secrets. As the Corporation faces increasing competition, the possibility of intellectual property rights claims

against the Corporation grows. The Corporation's products and technologies may not be able to withstand any third-party claims or rights against their use. Intellectual property infringement claims against the Corporation could harm its relationships with its customers, may deter future customers from subscribing to the Corporation's services or could expose it to litigation with respect to these claims. Even if the Corporation is not a party to any litigation involving a customer and third party, an adverse outcome in any such litigation could make it more difficult for the Corporation to defend its intellectual property in any subsequent litigation in which it is a named party. Any of these results could harm the Corporation's brand and operating results.

Any intellectual property rights claim against the Corporation or its customers, with or without merit, could be time-consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Corporation from offering its services to its customers and may require that the Corporation procure or develop substitute services that do not infringe.

With respect to any intellectual property rights claim against the Corporation or its customers, the Corporation may have to pay damages or stop using technology found to be in violation of a third party's rights. The Corporation may have to seek a license for the technology, which may not be available on reasonable terms, may significantly increase the Corporation's operating expenses or require it to restrict its business activities in one or more respects. The technology also may not be available for license to the Corporation. As a result, the Corporation may also be required to develop alternative non-infringing technology, which could require significant effort and expense.

Reliance on the Availability of Electricity

The operation and development of the Corporation's charging stations is dependent upon the availability of electricity, which is beyond the Corporation's control. The Corporation's charging stations are affected by problems accessing electricity sources, such as planned or unplanned power outages. In recent years, shortages of electricity have resulted in increased costs to users and interruptions in service. Some jurisdictions have experienced rolling blackouts or failures in electrical grids due to excessive demands on the electrical grid, as a precautionary measure against the risk of wildfire, or due to adverse weather. In the event of a power outage, the Corporation will be dependent on the relevant utility company to restore power. Any prolonged power outage could adversely affect customer experience and the Corporation's business and results of operations.

Changes in utility electricity pricing or new and restrictive constructs from regulations applicable to pricing may adversely impact future operating results of the Corporation. Utility rates may change in a way that adversely affects EV charging or in a way that may limit the Corporation's ability to access certain beneficial rate schedules. In addition, utilities or other regulated entities with monopoly power may receive authority to provide charging services that result in an anti-competitive advantage relative to the Corporation and other private sector operators.

Protection of Intellectual Property

The Corporation relies on a combination of copyright, service mark, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect its proprietary rights, all of which provide only limited protection. The Corporation cannot guarantee that any future trademark registrations will be issued with respect to pending or future applications or that any registered trademarks will be enforceable or provide adequate protection of its proprietary rights.

The Corporation endeavors to enter into agreements with its employees and contractors and agreements with parties with whom it does business to limit access to and disclosure of our proprietary information. The Corporation cannot be certain that the steps it has taken will prevent unauthorized use of its technology or the reverse engineering of its technology. Moreover, others may independently develop technologies that are competitive to the Corporation's or infringe the Corporation's intellectual property. The enforcement of the Corporation's intellectual property rights also depends on its legal actions against these infringers being successful, however, the Corporation cannot be sure these actions will be successful, even when its rights have been infringed.

Further, effective trademark, service mark, copyright and trade secret protection may not be available in every country in which the Corporation's services are available over the Internet. In addition, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in EV-related industries are uncertain and evolving.

Uninsured Risks

Although the Corporation maintains commercial general liability insurance coverage and directors' and officers' liability insurance, along with worker's compensation and related insurance, the Corporation cannot guarantee that it will not incur uninsured liabilities and losses as a result of the conduct of its business. Should uninsured losses occur, they would have a material adverse effect on the Corporation's operating results, financial condition, and business performance.

Inadequate Customer Support

Once the Corporation's charging stations are installed, customers and drivers will rely on the Corporation to provide maintenance services to resolve any issues that might arise in the future. Rapid and high-quality customer and equipment support is important so drivers can receive reliable charging for their EVs. The importance of high-quality customer and equipment support will increase as the Corporation seeks to expand its business and pursue new customers and geographies. If the Corporation does not quickly resolve issues and provide effective support, the Corporation's ability to retain customers or sell additional products and services to existing customers could suffer and the Corporation's brand and reputation could be harmed.

Constructions Costs, Cost Overruns, and Delays

Charger installation and construction is typically performed by third-party contractors managed by the Company. The installation and construction of charging stations at a particular site is generally subject to oversight and regulation in accordance with provincial and local laws and ordinances relating to building codes, safety, environmental protection and related matters, and typically requires local utility cooperation in design and interconnection request approval and commissioning, as well as various local and other governmental approvals and permits that vary by jurisdiction. In addition, building codes, accessibility requirements, utility interconnect specifications, review, approval or study lead time or regulations may hinder EV charger installation and construction because they end up costing the developer or installer more in order to meet the code requirements. In addition, increased demand for the components necessary to install and construct charging stations could lead to higher installed costs. Meaningful delays or cost overruns caused by contractors, subcontractors or utility upgrades or the inability of local utilities and approving agencies to cope with the level of activity may impact the Corporation's ability to deliver its services in a timely manner and revenue recognition in certain cases and/or impact the Corporation's relationships, either of which could impact the Corporation's business and profitability, pace of growth and prospects.

Working with contractors may require the Corporation to obtain licenses or require the Corporation or the Corporation's customers to comply with additional rules, working conditions and other union requirements, which can add costs and complexity to an installation and construction project. If these contractors are unable to provide timely, thorough and quality installation related services, the Corporation could fall behind its construction schedules or cause customers to become dissatisfied with the solutions the Corporation offers. As the demand for EV charging increases and qualification requirements for contractors become more stringent, the Corporation may encounter shortages in the number of qualified contractors available to complete all of the Corporation's desired installations.

The Corporation's business model is predicated on the presence of qualified and capable electrical and civil contractors and subcontractors in the markets the Corporation intends to enter. There is no guarantee that there

will be an adequate supply of such partners. A shortage in the number of qualified contractors may impact the viability of the business plan, increase risks around the quality of works performed and increase costs if outside contractors are brought into a new market.

Vandalism and Misuse

The Corporation's public chargers may be exposed to vandalism or misuse by customers and other individuals, increasing wear and tear of the charging equipment. Such increased wear and tear could shorten the usable lifespan of the chargers and require the Corporation to increase its spending on replacement and maintenance costs.

Risks Related to the Corporation's Securities

No Market for Securities

There is currently no market through which the Common Shares may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after listing. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Requirements for Capital

Substantial additional financing may be required if the Corporation is to successfully develop its business. No assurances can be given that the Corporation will be able to raise the additional capital that it may require for its anticipated future development or that such additional financing will be available on terms acceptable to the Corporation.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Transactions financed wholly or partially with debt, may increase the Corporation's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Corporation has prepared a budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Corporation's product development and marketing initiatives. As the Corporation further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Corporation may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Corporation's broader objectives, as a means of advancing shareholder value.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the Common Shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. An investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Corporation's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the sectors in which the Corporation operates. Such factors could include the performance of the Corporation's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Corporation, and general market and economic conditions.

No Dividends

The Corporation has not declared or paid any cash dividends on the Common Shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the Common Shares.

General

Although management believes that the above risks fairly and comprehensively illustrate all material risks facing the Corporation, the risks noted above do not necessarily comprise all those potentially faced by the Corporation as it is impossible to foresee all possible risks. Although the directors and management will seek to minimize the impact of the risk factors, an investment in the Corporation should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

PROMOTERS

David Bibby, Rockbank Capital Corp., 1198349 B.C. Ltd., and North King Capital Inc. are considered to be promoters of the Corporation.

Mr. Bibby beneficially owns or controls, directly or indirectly, or exercises control or direction over, an aggregate of 3,040,000 Common Shares, 1,000,000 Options, 1,500,000 performance warrants, and 41,666 Subscription Receipts. As at the date hereof, Mr. Bibby beneficially owns, directly or indirectly, or exercises control or direction over 6.01% of the Common Shares. After giving effect to the conversion of the Subscription Receipts and the issuance of the Corporate Finance Fee Shares, Mr. Bibby will beneficially own, directly or indirectly, or exercise control or direction over, 5.08% of the Common Shares.

See *“Executive Compensation – Employment, Management and Consulting Agreements”* for a description of the terms of the employment agreement dated June 15, 2021, and amended on November 12, 2021, between the Corporation and Mr. Bibby. See *“Business of the Corporation – History”* for a description of the Corporation’s acquisition of 100% of the issued and outstanding shares of CoSource Information Technology Services Inc., a company previously co-owned by Mr. Bibby.

Rockbank Capital Corp. beneficially owns or controls, directly or indirectly, or exercises control or direction over, an aggregate of 1,139,557 Common Shares. As at the date hereof, Rockbank Capital Corp. beneficially owns, directly or indirectly, or exercises control or direction over, 2.25% of the Common Shares. After giving effect to the conversion of the Subscription Receipts and the issuance of the Corporate Finance Fee Shares, Rockbank Capital Corp. will beneficially own, directly or indirectly, or exercise control or direction over, 1.88% of the Common Shares.

1198349 B.C. Ltd. beneficially owns or controls, directly or indirectly, or exercises control or direction over, an aggregate of 1,142,223 Common Shares. As at the date hereof, 1198349 B.C. Ltd. beneficially owns, directly or indirectly, or exercises control or direction over, 2.26% of the Common Shares. After giving effect to the conversion of the Subscription Receipts and the issuance of the Corporate Finance Fee Shares, 1198349 B.C. Ltd. will beneficially own, directly or indirectly, or exercise control or direction over, 1.88% of the Common Shares.

North King Capital Inc. (**“North King”**) beneficially owns or controls, directly or indirectly, or exercises control or direction over, an aggregate of 1,329,557 Common Shares. As at the date hereof, North King beneficially owns, directly or indirectly, or exercises control or direction over, 2.63% of the Common Shares. After giving effect to the conversion of the Subscription Receipts and the issuance of the Corporate Finance Fee Shares, North King will beneficially own, directly or indirectly, or exercise control or direction over, 2.19% of the Common Shares.

The Corporation has entered into a services agreement with North King pursuant to which the Corporation has agreed to (i) pay a fee of \$30,000 to North King concurrent with the completion of a public listing of the Corporation’s securities on a Canadian securities exchange; (ii) a monthly fee of \$8,500 plus applicable taxes, and (iii) upon the completion of any acquisition of assets, or a sale, merger, amalgamation, arrangement or any other similar transaction involving the Corporation or an affiliate of the Corporation, a fee equal to 5% of the aggregate value of such transaction.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of the Corporation is not aware of any legal proceedings or regulatory actions outstanding, threatened or pending as of the date hereof by or against the Corporation or relating to the business which would be material to a purchaser of Common Shares.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Prospectus, management of the Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction which in either case has materially affected or will materially affect the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Crowe MacKay LLP, at 1100 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5. The Company's former auditor, Dale Matheson Carr-Hilton Labonte LLP, which audited the audited financial statements contained in the Prospectus, has a principal office at 1500 -1140 West Pender St., Vancouver, BC V6E 4G1.

The Corporation's transfer agent and registrar is Odyssey Trust Company, at 323 – 409 Granville Street, Vancouver, BC V6C 1T2.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts currently in force and effect which have been entered into by the Corporation or will be entered into prior to the filing of the final Prospectus are the following:

- (a) the Subscription Receipt Agreement;
- (b) the Escrow Agreement;
- (c) the Agency Agreement; and
- (d) the AXSO Agreement.

EXPERTS

Crowe MacKay LLP have advised the Corporation that they are independent of the Corporation in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia. To the best knowledge of the Corporation, as at the date hereof, Crowe MacKay LLP does not beneficially own, directly or indirectly, any securities of the Corporation.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces of Canada 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. In some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price 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 adviser.

CONTRACTUAL RIGHT OF RESCISSION

The Corporation has granted to each holder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires another security of the Corporation on conversion of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's conversion of its Subscription Receipt and the private placement under which the Subscription Receipt was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Agents or the Corporation, as the case may be, on the acquisition of the Subscription Receipt, and (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

FINANCIAL STATEMENTS

Audited financial statements of the Corporation for the years ended August 31, 2021 and 2020 and the period from September 5, 2018 (incorporation) to August 31, 2019 are included in this Prospectus as Schedule "B".

Unaudited financial statements of the Corporation for the six months ended February 28, 2022 are included in this Prospectus as Schedule "C".

Schedule "A"

Audit Committee Charter

This audit committee charter (the "**Charter**") sets forth the purpose, composition, responsibilities, duties, powers and authority of the audit committee (the "**Committee**") of the Board of Directors (the "**Board**") of Hypercharge Networks Corp. ("**Hypercharge**" or the "**Company**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Hypercharge; and
- external and internal audit processes.

2.0 Composition and Membership

- (a) The Board will appoint the members ("**Members**") of the Committee after the annual general meeting of shareholders of Hypercharge. The Members will be appointed to hold office until the next annual general meeting of shareholders of Hypercharge or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors with a majority meeting the criteria for independence and financial literacy established by applicable laws and the rules of Multilateral Instrument 52-110 – Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (c) The Board will appoint one of the Members to act as the Chairman of the Committee. The secretary of Hypercharge (the "**Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Secretary at any meeting, the committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3.0 Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (b) At the request of the external auditors of Hypercharge, the Chief Executive Officer or the Chief Financial Officer of Hypercharge or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chairman of the meeting.
- (d) Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

- (e) The Committee may invite, from time to time, such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Hypercharge to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are to:

4.1 Financial Reporting and Disclosure

- a) Review, and recommend to the Board for approval, the audited annual financial statements including the auditors' report thereon, the quarterly financial statements and the annual and quarterly management discussion and analyses;
- b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy materials, material change disclosures of a financial nature and similar disclosure documents;
- c) review with management of Hypercharge and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Hypercharge's financial position and the results of its operations in accordance with IFRS; and
- d) annually review Hypercharge's corporate disclosure policy and recommend any proposed changes to the Board for consideration.

4.2 Internal Controls and Audit

- a) review and assess the adequacy and effectiveness of Hypercharge's system of internal control and management information systems through discussions with management and the external auditor to ensure that Hypercharge maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Hypercharge's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Hypercharge at any particular time;
- b) satisfy itself that management has established adequate procedures for the review of Hypercharge's disclosure of financial information extracted or derived directly from Hypercharge's financial statements;
- c) satisfy itself that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- d) review and discuss Hypercharge's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- e) review and assess, and in the Committee's discretion, make recommendations to the Board regarding the adequacy of Hypercharge's risk management policies and procedures with regard to identification of Hypercharge's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Hypercharge; and
- f) review and assess annually, and in the Committee's discretion, make recommendations to the Board regarding Hypercharge's investment policy.

4.3 External Audit

- a) recommend to the Board a firm of external auditors to be engaged by Hypercharge;
- b) ensure the external auditors report directly to the Committee on a regular basis;
- c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- d) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- e) review the audit plan of the external auditors prior to the commencement of the audit;
- f) establish and maintain a direct line of communication with Hypercharge's external and internal auditors;
- g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting whose purpose is to review the annual financial statements of the Company;
- h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- i) oversee the work of the external auditors appointed by the shareholders of Hypercharge with respect to preparing and issuing an audit report or performing other audit, review or attest services for Hypercharge, including the resolution of issues between management of Hypercharge and the external auditors regarding financial disclosure;
- j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Hypercharge, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- k) discuss with the external auditors their perception of Hypercharge's financial and accounting personnel, records and systems, the cooperation which the external auditors received during the course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

4.4 Associated Responsibilities

Review and approve Hypercharge's hiring policies regarding employees and partners, and former employees and partners of the present and former external auditor of Hypercharge.

4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to Hypercharge or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Hypercharge's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Hypercharge, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Hypercharge's financial information or public disclosure.

5.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6.0 Access to Information and Authority

The Committee will be granted unrestricted access to all relevant information regarding Hypercharge and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Hypercharge's expense and at a reasonable cost, independent legal, financial and other advisors, consultants and experts, where necessary, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Approved by: Board of Directors June 24, 2021

Schedule "B"

**Financial Statements of the Corporation for the Years Ended August 31, 2021 and 2020 and the Period from
September 5, 2018 (Incorporation) to August 31, 2019**

Hypercharge Networks Corp.
(formerly Cliffwood Capital Corp.)

Consolidated Financial Statements
For the year ended August 31, 2021

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hypercharge Networks Corp.

Opinion

We have audited the consolidated financial statements of Hypercharge Networks Corp. (the "Company") (formerly Cliffwood Capital Corp.), which comprise the consolidated statements of financial position as at August 31, 2021 and 2020, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

Dma

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 29, 2021

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	August 31, 2021	August 31, 2020
Assets			
Current assets			
Cash		\$ 3,023,188	\$ 160,420
Prepaid expenses and other current assets		4,646	-
Notes receivable	4	216,933	-
		<u>3,244,767</u>	<u>160,420</u>
Security deposit		36,855	-
Equipment	6	2,548	-
Total assets		\$ <u>3,284,170</u>	\$ <u>160,420</u>
Liabilities			
Current liabilities			
Accounts payable	9	\$ 159,181	\$ 8,863
Accrued liabilities		61,444	9,575
Subscription liability	7	816,650	-
		<u>1,037,275</u>	<u>18,438</u>
Total liabilities		<u>1,037,275</u>	<u>18,438</u>
Deficiency			
Share capital	7	2,861,445	221,951
Warrant reserve	7	47,484	-
Share-based payment reserve		45,976	-
Obligation to issue shares	7	250,000	-
Accumulated deficit		(958,010)	(79,969)
Total shareholders equity		<u>2,246,895</u>	<u>141,982</u>
Total liabilities and deficiency		\$ <u>3,284,170</u>	\$ <u>160,420</u>
Going concern	1		
Commitments and contingencies	8		
Subsequent events	13		

Approved on behalf of the Board:

"Bronson Peever"

Bronson Peever, Director

"Liam Firus"

Liam Firus, Director

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

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

			Year ended August 31,	
	Note	2021	2020	
Operating Expenses				
Consulting fees	9	\$ 210,307	\$ 30,450	
Wages and benefits		142,733	-	
Professional fees		97,590	18,988	
Advertising and promotional		67,487	-	
Share-based payments	7 & 9	327,080	-	
Office and administration		22,878	3,785	
Filing and transfer agent fees		1,814	1,872	
Depreciation	6	150	-	
Bank charges and interest		1,588	348	
Total Operating Expenses		<u>(871,627)</u>	<u>(55,443)</u>	
Other expenses (income)				
Unrealized loss on investment	5	37,638	-	
Realized gain of sale of investment	5	(53,350)	-	
Impairment of investment	5	37,362	-	
Foreign exchange gain		(15,236)	-	
Interest income		-	(2,022)	
Total other expenses (income)		<u>6,414</u>	<u>(2,022)</u>	
Net and comprehensive loss		\$ <u>(878,041)</u>	\$ <u>(53,421)</u>	
Basic and diluted loss per share		\$ <u>(0.06)</u>	\$ <u>(0.01)</u>	
Weighted average number of shares outstanding				
- basic and diluted		<u>14,167,200</u>	<u>8,575,817</u>	

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

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Statement of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Note	Share capital		Share-based payment reserve	Warrant reserve	Obligation to issue shares	Deficit	Total shareholders' equity
		Number	Amount					
Balance, August 31, 2019		8,516,200	\$ 202,501	\$ -	\$ -	\$ -	\$ (26,548)	\$ 175,953
Common shares issued for cash	7	194,500	19,450	-	-	-	-	19,450
Net and comprehensive loss		-	-	-	-	-	(53,421)	(53,421)
Balance, August 31, 2020		8,710,700	221,951	-	-	-	(79,969)	141,982
Common shares issued for cash	7	17,486,000	2,639,494	-	16,380	-	-	2,655,874
Share-based payments	7 & 9	-	-	45,976	31,104	250,000	-	327,080
Net and comprehensive loss		-	-	-	-	-	(878,041)	(878,041)
Balance, August 31, 2021		26,196,700	\$ 2,861,445	\$ 45,976	\$ 47,484	\$ 250,000	\$ (958,010)	\$ 2,246,895

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

Hypercharge Networks Corp.
(formerly Cliffwood Capital Corp.)
Consolidated Statements of Cash Flows
August 31, 2021
(Expressed in Canadian Dollars)

		Year ended August 31,	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
Cash provided by (used in):			
Operating activities:			
Net and comprehensive loss		\$ (878,041)	\$ (53,421)
Items not involving cash:			
Share-based payments	7 & 9	327,080	-
Unrealized loss on investment	5	37,638	-
Realized gain on the sale of investment	5	(53,350)	-
Impairment loss on investment	5	37,362	-
Foreign exchange gain		(15,236)	-
Depreciation	6	150	-
Interest income		-	(2,022)
Changes in non-cash working capital items:			
Prepaid expenses and other current assets		(4,646)	-
Accounts payable and accrued liabilities		202,187	10,818
Security deposit		(36,855)	-
Net cash used in operating activities		<u>(383,711)</u>	<u>(44,625)</u>
Investing activities:			
Purchase of investment	5	(150,000)	-
Proceeds on sale of investment, net	5	128,350	-
Purchase of equipment	6	(2,698)	-
Advance of note receivable	4	(201,697)	(98,565)
Repayment of note receivable	4	-	150,587
Net cash (used in) provided by investing activities		<u>(226,045)</u>	<u>52,022</u>
Financing activities:			
Common shares issued for cash, net of cash transaction costs	7	2,655,874	19,450
Proceeds from subscriptions received	7	816,650	-
Net cash provided by financing activities		<u>3,472,524</u>	<u>19,450</u>
Increase in cash flows		2,862,768	26,847
Cash balance, beginning of the year		160,420	133,573
Cash balance, end of the year		\$ <u>3,023,188</u>	\$ <u>160,420</u>

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

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

1. Entity information

Hypercharge Networks Corporation (formerly Cliffwood Capital Corp). (the "Company") was incorporated under the British Columbia Business Corporations Act on September 5, 2018. The head office of the Company is located at Suite 310 – 1008 Homer Street, Vancouver, British Columbia, V6B 2X1 and the registered and records office of the Company is located at 6204 – 125th Street, Surrey, British Columbia, V3X 2X1.

Upon incorporation, the Company's objective was to identify an appropriate business for acquisition or investment. During the year ended August 31, 2021, the Company started the business of providing electric vehicle charging stations and solutions. Subsequent to August 31, 2021, the Company acquired all of the existing and outstanding shares of Spark Charging Solutions Inc. ("Spark") (Note 13) to add to its existing business of providing electric vehicle charging solutions.

The Company is an early-stage Company and is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with its cash on hand, cash raised subsequent to August 31, 2021 (Note 13) and/or additional financing that has not currently been sought. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

2. Significant accounting policies

(a) Statement of compliance

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

The consolidated financial statements of the Company for the year ended to August 31, 2021 were authorized for issue by the Board of Directors ("Board") on December 29, 2021.

(b) Basis of presentation

These consolidated financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments which are measured at fair value.

The Company's functional currency is the Canadian Dollar. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. The Company's subsidiary is an entity controlled by the Company, and the Company has power over the entity through its exposure and rights to variable returns from the subsidiary. The results of the Company's wholly owned subsidiary, 2836601 Ontario Inc. are included in these consolidated financial statements. The financial statements of the Company's subsidiary are prepared for the same reporting period as the Company and all intercompany transactions and balances have been eliminated.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at banks and highly liquid investments with original maturities of three months or less, which are readily convertible into a known amount of cash.

(e) Equipment

(i) Recognition and measurement

Items of property and equipment are measured at their initial cost less accumulated depreciation and accumulated impairment charges. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss in the period in which they are incurred.

(ii) Depreciation

Depreciation is recognized in profit or loss over the estimated useful lives of each part of an item of property and equipment in a manner that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for each class of the Company's equipment is as follows:

Class	Rate	Method of depreciation
Computer equipment	3 years	Straight line

(f) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Classification (continued)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets classified as amortized cost if both of the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All financial assets not classified as amortized cost as described above are measured at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statements of comprehensive loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to comprehensive loss.

(iii) Classification

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to comprehensive loss.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

(v) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company recognizes in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(vi) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

(vii) Fair value

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: defined as observable inputs such as quoted prices in active markets.

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(g) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

(h) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company has not recorded any deferred tax assets.

(i) Foreign Currency Translation

The functional and reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit and loss.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

(k) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognized as a personnel expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

For share-based payment arrangements with non-employees, the expense is recorded over the service period until the options vest. Once the options vest, services are deemed to have been received.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of the cancellation and any expense not yet recognized for the award (being the total expense as calculated at the grant date) is recognized immediately. This includes any awards where vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled award and new awards are treated as if they were a modification of the original awards.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The Company's main judgements, estimates, and assumptions are presented below:

(a) Deferred income tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(b) Share-based payments

The Company utilizes the Black-Scholes model to estimate the fair value of its share-based payments. In applying this model, management must estimate the expected future volatility of the Company's estimated share price, and makes such assumptions based on a proxy of publicly-listed entities under an expectation that historical volatility is representative of the expected future volatility. Additionally, estimates have been made by management, in respect of the performance warrants, regarding the length of the vesting period as well as the number of performance warrants that are likely to vest.

(c) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative other than to do so.

4. Notes receivable

During the year ended August 31, 2021, the Company provided a series of advances totaling \$216,933 to Spark. The notes receivable are unsecured, non-interest bearing and due on demand. Subsequent to August 31, 2021, the Company acquired the issued and outstanding shares of Spark (Note 13).

In May 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021 and bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020 (Note 9).

In July 2019, the Company provided a \$50,000 unsecured, non-interest-bearing loan to a shareholder of the Company repayable on or before December 31, 2019, or on demand at the option of the Company. The note receivable was fully repaid in December 2019.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

5. Investment

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing.

Subsequently, on October 21, 2020, American CBD entered into an Amalgamation Agreement (the "Agreement") with Thoughtful Brands Inc. ("Thoughtful Brands") and pursuant to the Agreement, the Company received 4,820,917 shares of Thoughtful Brands in exchange for its shares of American CBD.

On April 16, 2021, Thoughtful Brands' issued and outstanding common shares were consolidated on the basis of one (1) new common share for every ten (10) common shares issued and outstanding. All Thoughtful Brands share and per share amounts disclosed herein are pre-consolidation. From the period of October 21, 2020 through April 16, 2021, the Company sold 2,025,230 shares and had a remaining balance of 2,795,687 prior to the consolidation and 279,568 shares following the consolidation.

During the period of April 17, 2021 to August 31, 2021, the Company sold an additional 38,522 shares and as at August 31, 2021 held 241,046 shares.

At August 31, 2021, the Company assessed the fair value of the investment in Thoughtful Brands as \$nil, and recorded an impairment charge of \$37,362 during the year ended August 31, 2021. Additionally, during the year ended August 31, 2021, the Company received net proceeds from the sales of shares of \$128,350 and recognized realized gains on the disposition of the investments of \$53,350 and unrealized losses on the change in fair value of the investments of \$37,638.

6. Equipment

	Computer equipment
Balance, August 31, 2019 and 2020	\$ -
Additions	2,698
Depreciation	(150)
Balance, August 31, 2021	\$ 2,548

7. Share capital**(a) Authorized**

The Company has authorized an unlimited number of common shares without par value.

(b) Issued

As at August 31, 2021, there were 26,196,700 (2020 – 8,710,700) common shares outstanding.

During the year ended August 31, 2021:

On April 22, 2021, the Company closed a non-brokered private placement by issuing 7,300,000 common shares at a price of \$0.02 per share for gross proceeds of \$146,000.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

7. Share capital (continued)**(b) Issued (continued)**

On May 21, 2021, the Company closed a non-brokered private placement by issuing 10,186,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,546,500. The Company incurred cash commission fees of \$31,500, issued 126,000 warrants as finders fees with a grant date fair value of \$16,380 and incurred share issue costs of \$5,126.

During the year ended August 31, 2021, the Company received \$816,650 in subscriptions from investors for a future financing transaction. Subsequent to August 31, 2021, shares were issued in respect of these funds received and the liability was discharged accordingly (Note 13).

At August 31, 2021, the Company is obligated to issue 1,000,000 common shares to the CEO, which is recognized as share-based payments expense with a fair value of \$250,000 (Notes 9 and 13).

During the year ended August 31, 2020:

On April 22, 2020, the Company completed a non-brokered private placement of 194,500 common shares at \$0.10 per share for gross proceeds of \$19,450.

(c) Warrants**(i) Non-performance warrants:**

The non-performance warrant continuity schedule is as follows:

	Number of warrants	Weighted average exercise price
Balance, August 31, 2019 and 2020	8,100,000	\$ 0.05
Issued as finders fee	126,000	0.25
Cancelled	(8,100,000)	(0.05)
Balance, August 31, 2021	126,000	\$ 0.25

Details of the non-performance warrants outstanding as at August 31, 2021 are as follows:

Exercise price	Number of warrants exercisable	Expiry date
\$ 0.25	126,000	May 21, 2023

The weighted average remaining contractual life of the non-performance warrants outstanding as at August 31, 2021 is 1.72 years.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

7. Share capital (continued)

(c) Warrants (continued)

The fair value of the non-performance warrants was determined using the Black-Scholes Model using the following assumptions:

	Year ended August 31, 2021	
Expected life		2 years
Expected volatility ^(*)		98.62%
Risk-free rate		0.33%
Dividend yield		-
Underlying share price	\$	0.25
Exercise price	\$	0.25

(*) Expected volatility was estimated by reference to comparable listed entities.

(ii) Performance warrants

On August 3, 2021, the Company granted 2,000,000 performance warrants to an advisor for consideration of a future financing transaction. The warrants will vest upon the completion of a future financing transaction, whereby the Company will obtain a listing on a Canadian stock exchange and conduct a subsequent offering to raise a minimum of \$5 million. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of \$0.25 per share, valid for a period of two years from the vesting date. The Company has accounted for the transaction in accordance with IFRS 2 – Share-based payments ("IFRS 2") as a share-based payment with a performance condition, and the cumulative fair value represents the best available estimate of the equity instruments expected to vest as at August 3, 2021. As a result of the nature of the transaction representing a share issuance cost, the Company will capitalize the cumulative fair value of the services provided by the advisor as a deferred offering cost. Due to the Company's success with recent private offerings, subsequent financing following a public listing may not be needed; therefore, there has been no cumulative cost recorded through August 31, 2021.

On August 5, 2021 and amended on November 15, 2021, the Company entered into a collaboration agreement (the "Collaboration Agreement") for an arrangement to supply, install and maintain electric vehicle charging stations. On the same date, the Company provided the third-party with 2,080,000 performance warrants, 200,000 of which vested immediately and the remaining vest in six tranches during the three years following the commencement of the agreement. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of \$0.25 per share, valid for a period of three years from the date in which the tranche vested. A condition of the Collaboration Agreement required further agreements to be entered into within twenty-one (21) days of the signing of the Collaboration Agreement. The Company and the other party signed an agreement to extend the term in which the further agreements needed to be signed to continue the Collaboration Agreement, and subsequently to August 31, 2021, the Company and the other party entered into all required agreements.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

7. Share capital (continued)

(c) Warrants (continued)

(ii) Performance warrants (continued)

The Company has accounted for the transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at August 31, 2021. During the year ended August 31, 2021, the Company recorded share-based payment expense of \$31,104 relating to the share-based payment component of this agreement.

The performance warrant continuity schedule is as follows:

	Number of warrants	Weighted average exercise price	
Balance, August 31, 2020 and 2019	-	\$	-
Performance warrants issued	4,080,000		0.25
Balance, August 31, 2021	4,080,000	\$	0.25
Performance Warrants exercisable, August 31, 2021	200,000	\$	0.25

Details of the exercisable performance warrants exercisable at August 31, 2021 is as follows:

Exercise price	Number of warrants exercisable	Expiry date
\$ 0.25	200,000	August 5, 2023

The fair value of the performance warrants was determined using the Black-Scholes model using the following assumptions:

	Year ended August 31, 2021	
Expected life		3 years
Expected volatility		98.55% - 98.71%
Risk-free rate		0.42% - 0.44%
Dividend yield		-
Underlying share price	\$	0.25
Exercise price	\$	0.25

(d) Stock Options

The Company has an incentive stock option plan whereby the Company may grant incentive stock options ("Options") to directors, officers, employees and independent consultants to purchase voting common shares of the Company. The terms and conditions of each option granted under the stock option plan are determined by the Board of Directors. The number of common shares reserved for issuance upon the exercise of options is limited to a maximum of 20% of the issued and outstanding common shares of the Company at any time.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

7. Share capital (continued)**(d) Stock Options (continued)**

During the year ended August 31, 2021, the Company recorded stock-based compensation of \$45,976 (2020 – nil) on the grant of 1,500,000 options. The options vest in tranches over a period of thirty six (36) months and are exercisable at a price of \$0.25 per share for three (3) or five (5) years after grant date.

The Stock Option continuity is as follows:

	Number of options	Weighted average exercise price
Balance, August 31, 2020 and 2019	- \$	-
Granted	1,500,000	0.25
Balance, August 31, 2021	1,500,000 \$	0.25
Options exercisable, August 31, 2021	- \$	-

The following is a summary of the outstanding Options:

Exercise price	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
\$ 0.25	1,250,000	4.83 years	-	1.4 years
\$ 0.25	250,000	2.92 years	-	1.4 years
	1,500,000	4.51 years		

The fair value of the options issued during the year ended August 31, 2021 was estimated using the following Black-Scholes Model assumptions:

	Year ended August 31, 2021
Expected life	3 years – 5 years
Expected volatility	96.00% - 110.24%
Risk-free rate	0.61% - 0.99%
Dividend yield	-
Underlying share price	\$ 0.25
Exercise price	\$ 0.25

(e) Reserves

The share-based payment reserve and warrant reserve record items recognized as share based compensation expense and other share based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

8. Commitments

As at August 31, 2021, the Company had committed to a lease that had not yet commenced. The commitments in accordance with the lease are as follows:

Year ended August 31		
2022	\$	143,666
2023		147,420
2024		135,135
	\$	426,221

9. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

In addition to cash compensation, the Company also permits participation in the Stock Option Plan.

During the year ended August 31, 2021, the Company paid its CEO \$94,005 (2020 – \$nil) in cash salary and benefits and recorded stock-based compensation expense of \$281,353 (2020 – \$nil).

During the year ended August 31, 2021, the Company paid \$48,300 (2020 – \$nil) to an entity controlled by two directors of the Company for CEO services provided. Amounts were fully paid during the year ended August 31, 2021 and there were no amounts payable at August 31, 2021 and 2020.

During the year ended August 31, 2021, the Company paid \$37,725 (2020 - \$19,950) to a Company controlled by a family member of the Company's former CFO and former director for consulting services. As at August 31, 2021, the Company has a balance payable to this entity of \$1,066 (2020 - \$1,575) included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment. During the year ended August 31, 2021, the Company paid \$13,125 (2020 - \$Nil) to the Company's former CFO for consulting services.

During the year ended August 31, 2021, the Company paid \$11,025 to a corporation controlled by a former officer of the Company for contract CFO services. As at August 31, 2021, the Company has a balance payable to this entity of \$3,675 (2020 – \$nil) included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2021, the Company paid \$24,000 (2020 - \$Nil) to a director of the Company for consulting services.

Included in accounts payable at August 31, 2021 was \$12,246 payable to a director of the Company for reimbursement of expenses incurred on behalf of the Company. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021, bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020 (Note 4).

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

10. Management of capital

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

11. Financial instruments

- (a) Set out below are categories of financial instruments and fair value measurements:

	August 31, 2021		August 31, 2020	
Financial assets at fair value				
Cash	\$	3,023,188	\$	160,420
Note receivable	\$	216,933	\$	-
Financial liabilities at amortized cost				
Accounts payable	\$	(159,181)	\$	(8,863)
Accrued liabilities	\$	(61,444)	\$	(9,575)
Subscription liability	\$	(816,650)	\$	-

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The Company's cash and investment (Note 5) is valued using level one inputs.

- (b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

11. Financial instruments (continued)

(b) Management of financial risks (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2021. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

12. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended August 31, 2021	Year ended August 31, 2020
Net loss	\$ (878,041)	\$ (53,421)
Statutory income tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(237,071)	(14,424)
Non-deductible expenses	89,222	-
Temporary differences not recognized	147,849	14,424
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Year ended August 31, 2021	Year ended August 31, 2020
Non-capital losses carried forward	\$ 162,596	\$ 21,592
Share issuance costs and other	6,845	-
Total	\$ 169,441	\$ 21,592

The Company has non-capital losses of \$629,815 available for carry-forward that will expire between 2039 and 2041.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Consolidated Financial Statements

August 31, 2021

(Expressed in Canadian Dollars)

13. Subsequent Events

On October 1, 2021, the Company completed a non-brokered private placement issuing 10,000,000 common shares of the Company at a price of \$0.40 per share for gross proceeds to the Company of \$4,000,000. The Company paid \$18,900 in finder's fees associated with the offering. The Company paid a bonus of \$30,000 to the CEO related to the offering.

On October 1, 2021, the Company entered into consulting agreements with third parties, whereby those consultants may be paid in warrants or common shares. One consultant will be paid a project fee totaling \$450,000, of which \$180,000 will be paid in up to 450,000 warrants exercisable at \$0.40 per share. Another two consultants can earn up to a combined 1,000,000 common shares over 3 years if all performance thresholds are met within specified timelines.

On November 1, 2021, the Company acquired all the issued and outstanding shares of Spark pursuant to a share exchange agreement (Note 1). The consideration for the transaction was valued at \$2.4 million which was settled by way of the issuance of six million common shares of the Company and payment of \$191,546 to satisfy Spark's existing outstanding debt, and a \$215,000 payment to acquire Spark's inventory. The vendors are also eligible to receive an additional 1,000,000 shares in the next 36 months if specific milestones are met. Additionally, the Company issued 4,219,670 common shares to an advisor. Related to the transaction, the Company is obligated to issue a number of finder's shares to a related company equal to 10% of the issued and outstanding shares of the Company. The six million common shares issued as consideration will be held in escrow and released over a 36-month period after the Company is listed on the Canadian Securities Exchange.

On November 12, 2021, the Company amended its employment agreement with the CEO, whereby the 1,000,000 common shares are no longer obligated to be issued by the Company (Note 7).

On November 17, 2021, the Company granted 175,000 stock options to consultants and employees, which are exercisable at a price of \$0.40 per share for a period of three years. The options will vest as 25% on each of the three and six months from the grant date and 50% at twelve months following the grant date.

Cliffwood Capital Corp.

Financial Statements
For the year ended August 31, 2020

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cliffwood Capital Corp.

Opinion

We have audited the financial statements of Cliffwood Capital Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2020 and 2019, and the statements of comprehensive loss, changes in shareholders' equity, and cash flows for the year ended August 31, 2020 and period from incorporation on September 5, 2018 to August 31, 2019, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2020 and 2019, and its financial performance and its cash flows for the year ended August 31, 2020 and period from incorporation on September 5, 2018 to August 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 21, 2020

Cliffwood Capital Corp.

Statements of Financial Position

(Expressed in Canadian Dollars)

	August 31, 2020	August 31, 2019
Assets		
Current assets		
Cash	\$ 160,420	\$ 133,573
Notes receivable (Note 4)	-	50,000
Total assets	\$ 160,420	\$ 183,573
Liabilities		
Current liabilities		
Accounts payable (Note 6)	\$ 8,863	\$ 2,620
Accrued liabilities	9,575	5,000
Total liabilities	18,438	7,620
Shareholders' equity		
Share capital (Note 5)	221,951	202,501
Deficit	(79,969)	(26,548)
Total shareholders' equity	141,982	175,953
Total liabilities and shareholders' equity	\$ 160,420	\$ 183,573

Nature and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved on behalf of the Board:

"Bronson Peever"

Bronson Peever, Director

"Marlis Yassin"

Marlis Yassin, Director

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Expenses		
Consulting fees (Note 6)	\$ 30,450	\$ 15,750
Professional fees	18,988	10,149
Office and administration	3,785	97
Filing and transfer agent fees	1,872	519
Bank charges and interest	348	33
	(55,443)	(26,548)
Interest income (Note 4)	2,022	-
Net and comprehensive loss	\$ (53,421)	\$ (26,548)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding – basic and diluted	8,575,817	1,197,681

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp.

Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share capital		Deficit	Total shareholders' equity
	Number	Amount		
Balance, September 5, 2018	-	\$ -	\$ -	\$ -
Common shares issued (Note 5)	8,506,201	202,501	-	202,501
Net and comprehensive loss for the period	-	-	(26,548)	(26,548)
Balance, August 31, 2019	8,506,201	202,501	(26,548)	175,953
Common shares issued (Note 5)	194,500	19,450	-	19,450
Net and comprehensive loss for the year	-	-	(53,421)	(53,421)
Balance, August 31, 2020	8,700,701	\$ 221,951	\$ (79,969)	\$ 141,982

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Cash provided by (used in):		
Operating activities		
Net and comprehensive loss for the period	\$ (53,421)	\$ (26,548)
Items not involving cash		
Interest income	(2,022)	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	10,818	7,620
Net cash used in operating activities	(44,625)	(18,928)
Investing activities		
Repayment of note receivable	150,587	-
Note receivable	(98,565)	(50,000)
Net cash provided by (used in) investing activities	52,022	(50,000)
Financing activities		
Proceeds from issuance of common shares	19,450	202,501
Net cash provided by financing activities	19,450	202,501
Increase in cash	26,847	133,573
Cash, beginning	133,573	-
Cash, ending	\$ 160,420	\$ 133,573

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

1. Nature and continuance of operations

Cliffwood Capital Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 5, 2018. The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 409 – 221 West Esplanade Street, North Vancouver, British Columbia, V7M 3J3. The Company is evaluating assets or businesses for acquisition.

On November 1, 2018, the Company signed an arrangement agreement with 1178408 B.C. Ltd. and Elysian Capital Corp. (formerly Blueprint Corporate Services Ltd.) ("Elysian") whereby the parties wished to effect a reorganization transaction by way of a spin-out of the Company and 1178408 B.C. Ltd. On February 8, 2019, the Company completed the arrangement agreement. As such, the shareholders of Elysian received one share of the Company for each share of Elysian they owned.

There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. As such, the Company's business involves a high degree of risk. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. As a result of COVID-19 the Company may experience delays in obtaining financing or concluding transactions it is evaluating.

2. Significant accounting policies

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Company for the year ended to August 31, 2020 were authorized for issue by the Board of Directors ("Board") on December 21, 2020.

(b) Basis of presentation

These financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments which are measured at fair value.

The Company's functional currency is the Canadian Dollar. The financial statements are presented in Canadian dollars, unless otherwise noted.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(c) Recent accounting standards

IFRS 16 *Leases* introduces new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases in the statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The adoption of IFRS 16 did not have an impact on the Company's financial statements as the Company has no leases.

IFRIC 23 *Uncertainty over Income Tax Treatments* provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. The adoption of IFRIC 23 did not have an impact on the Company's financial statements.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at banks and highly liquid investments with original maturities of three months or less, which are readily convertible into a known amount of cash.

(e) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets classified as amortized cost if both of the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as amortized cost as described above are measured at FVTPL.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statements of comprehensive loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to comprehensive loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to comprehensive loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

(v) Fair value

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: defined as observable inputs such as quoted prices in active markets.

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

(f) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(g) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company has not recorded any deferred tax assets.

(h) Foreign Currency Translation

The functional and reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit and loss.

(i) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

3. Significant accounting judgements, estimates and assumptions (continued)

The Company's main judgements, estimates, and assumptions are presented below:

(a) Deferred income tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(b) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative other than to do so.

4. Note receivable

In May 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021 and bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020 (Note 6).

In July 2019, the Company provided a \$50,000 unsecured, non-interest-bearing loan to a shareholder of the Company repayable on or before December 31, 2019, or on demand at the option of the Company. The note receivable was fully repaid in December 2019.

5. Share capital

(a) Authorized

The Company has authorized an unlimited number of common shares without par value.

(b) Issued

As at August 31, 2020, there were 8,700,701 (2019 – 8,506,201) common shares outstanding.

During the year ended August 31, 2020

On April 22, 2020, the Company completed a non-brokered private placement of 194,500 common shares at \$0.10 per share for gross proceeds of \$19,450.

During the period from incorporation on September 5, 2018 to August 31, 2019

- On September 5, 2018, the Company issued 1 common share pursuant to the incorporation of the Company at a price of \$1 per share;
- On February 8, 2019, the Company issued 406,200 common shares as part of the arrangement agreement with Elysian (Note 1); and
- On July 19, 2019, the Company completed a non-brokered private placement of 8,100,000 units at \$0.025 per unit for gross proceeds of \$202,500 (Note 6). Each unit was comprised of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.05 for 36 months.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

5. Share capital (continued)**(c) Warrants**

The warrant continuity schedule is as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, September 5, 2018	-	\$ -
Warrants issued	8,100,000	0.05
Warrants outstanding, August 31, 2020 and 2019	8,100,000	\$ 0.05

Details of warrants outstanding as at August 31, 2020 are as follows:

Exercise price (\$)	Number of warrants outstanding	Expiry date
0.05	8,100,000	July 18, 2022

The weighted average remaining contractual life of warrants outstanding as at August 31, 2020 is 1.88 years.

6. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the year ended August 31, 2020, the Company entered into the following transactions with related parties:

- Consulting fees of \$19,950 (2019 - \$5,775) paid to a company controlled by a family member of the CFO.

During the period from incorporation on September 5, 2018 to August 31, 2019, the Company entered into the following transactions with related parties:

- 2,000,000 common shares of the Company were issued to the CEO and director of the Company for proceeds of \$50,000 (Note 5); and
- 100,000 common shares of the Company were issued to the CFO and director of the Company for proceeds of \$2,500 (Note 5).

As at August 31, 2020, there is a balance of \$1,575 (2019 - \$96) payable to a company controlled by a family member of the CFO, which is included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021, bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020 (Note 4).

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

7. Management of capital

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

8. Financial instruments**(a) Categories of financial instruments and fair value measurements**

	August 31, 2020	August 31, 2019
Financial assets at amortized cost		
Cash	\$ 160,420	\$ 133,573
Note receivable	-	50,000
Financial liabilities at amortized cost		
Accounts payable	(8,863)	(2,620)
	<u>\$ 151,557</u>	<u>\$ 180,953</u>

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

(b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2020. The Company assessed liquidity risk as low.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

8. Financial instruments (continued)**(b) Management of financial risks (continued)***Foreign exchange risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

9. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Net loss	\$ (53,421)	\$ (26,548)
Statutory income tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(14,424)	(7,168)
Temporary difference not recognized	14,424	7,168
Income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Non-capital losses	\$ 21,592	\$ 7,168

The Company has non-capital losses of \$79,969 available for carry-forward that will expire between 2039 and 2040.

Cliffwood Capital Corp.

Notes to Financial Statements

August 31, 2020

(Expressed in Canadian Dollars)

10. Subsequent Events

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing. Subsequently, pursuant to an amalgamation agreement between American CBD and Thoughtful Brands Inc. ("TBI"), the Company received 4,820,917 shares of TBI in exchange for its shares of American CBD. The shares of TBI are subject to release restrictions of a voluntary pooling agreement.

In December 2020, the Company sold 1,205,230 shares of TBI for gross proceeds of \$80,840.

Cliffwood Capital Corp.
(formerly 1178406 B.C. Ltd.)

Financial Statements
For the period from incorporation on September 5, 2018 to August 31, 2019

Expressed in Canadian Dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cliffwood Capital Corp.

Opinion

We have audited the financial statements of Cliffwood Capital Corp. (the "Company"), which comprise the statement of financial position as at August 31, 2019, and the statements of comprehensive loss, changes in shareholders' equity, and cash flows for the period from incorporation on September 5, 2018 to August 31, 2019, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2019, and its financial performance and its cash flows for the period from incorporation on September 5, 2018 to August 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

December 5, 2019

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Statement of Financial Position

(Expressed in Canadian Dollars)

August 31,
2019

Assets

Current assets

Cash	\$	133,573
Note receivable (Note 5)		50,000

Total assets	\$	183,573
--------------	----	---------

Liabilities

Current liabilities

Accounts payable (Note 7)	\$	2,620
Accrued liabilities		5,000

Total liabilities		7,620
-------------------	--	-------

Shareholders' equity

Share capital (Note 6)		202,501
Deficit		(26,548)

Total shareholders' equity		175,953
----------------------------	--	---------

Total liabilities and shareholders' equity	\$	183,573
--	----	---------

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Bronson Peever"

Bronson Peever, Director

"Marlis Yassin"

Marlis Yassin, Director

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Statement of Comprehensive Loss

(Expressed in Canadian Dollars)

Period from
September 5,
2018 to
August 31, 2019

Expenses

Consulting fees (Note 7)	\$ 15,750
Professional fees	10,149
Office and administration	97
Filing fees	519
Bank charges and interest	33

Net and comprehensive loss	\$ 26,548
----------------------------	-----------

Basic and diluted loss per share	\$ (0.02)
----------------------------------	-----------

Weighted average number of shares outstanding – basic and diluted	1,197,681
---	-----------

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share capital		Deficit	Total shareholders' equity
	Number	Amount		
Balance, September 5, 2018	-	\$ -	\$ -	\$ -
Common shares issued (Note 6)	8,506,201	202,501	-	202,501
Net and comprehensive loss for the period	-	-	(26,548)	(26,548)
Balance, August 31, 2019	8,506,201	\$ 202,501	\$ (26,548)	\$ 175,953

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Statement of Cash Flows

(Expressed in Canadian Dollars)

Period from
September 5,
2018 to
August 31, 2019

Cash provided by (used in):

Operating activities

Net and comprehensive loss for the period \$ (26,548)

Changes in non-cash working capital items:

Accounts payable and accrued liabilities 7,620

Net cash used in operating activities (18,928)

Investing activities

Note receivable (50,000)

Net cash used in investing activities (50,000)

Financing activities

Proceeds from issuance of common shares 202,501

Net cash from financing activities 202,501

Increase in cash 133,573

Cash, beginning -

Cash, ending \$ 133,573

The accompanying notes are an integral part of these financial statements

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Notes to Financial Statements

August 31, 2019

(Expressed in Canadian Dollars)

1. Nature and continuance of operations

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.) (the "Company") was incorporated under the British Columbia Business Corporations Act on September 5, 2018. The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6E 2K3. The Company is evaluating assets or businesses for acquisition.

On November 1, 2018, the Company signed an arrangement agreement with 1178408 B.C. Ltd. and Elysian Capital Corp. (formerly Blueprint Corporate Services Ltd.) ("Elysian") whereby the parties wished to effect a reorganization transaction by way of a spin-out of the Company and 1178408 B.C. Ltd. On February 8, 2019, the Company completed the arrangement agreement. As such, the shareholders of Elysian received one share of the Company for each share of Elysian they owned.

There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. As such, the Company's business involves a high degree of risk. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant new accounting standards

(a) The Company recently adopted the following standards

The Company adopted IFRS 9 *Financial Instruments: Classification and Measurement and Impairment* ("IFRS 9") effective September 5, 2018, which replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") and related amendments to IFRS 7 *Financial Instruments: Disclosures*. IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

(b) New standards not yet adopted

The Company has not applied the following new standard and interpretation which are effective for reporting periods beginning on or after September 1, 2019:

IFRS 16 *Leases* (effective for reporting periods beginning on or after January 1, 2019) introduces new requirements for the classification and measurement of leases. Management does not expect IFRS 16 to have an impact on the Company's financial statements as it has no leases.

2. Significant new accounting policies (continued)

(b) New standards not yet adopted (continued)

IFRIC 23 *Uncertainty over Income Tax Treatments* (effective for reporting periods beginning on or after January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. Management does not expect IFRIC 23 to have an impact on the Company's financial statements.

3. Significant accounting policies

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Company for the period from incorporation (September 5, 2018) to August 31, 2019 were authorized for issue by the Board of Directors ("Board") on December 5, 2019.

(b) Basis of presentation

These financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments which are measured at fair value.

The Company's functional currency is the Canadian Dollar. The financial statements are presented in Canadian dollars, unless otherwise noted.

(c) Cash and cash equivalents

Cash and cash equivalents include cash at banks and highly liquid investments with original maturities of three months or less, which are readily convertible into a known amount of cash.

(d) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Classification (continued)

Financial assets classified as amortized cost if both of the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All financial assets not classified as amortized cost as described above are measured at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the statements of comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(v) Fair value

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: defined as observable inputs such as quoted prices in active markets.

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

3. Significant accounting policies (continued)

(e) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

(f) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company has not recorded any deferred tax assets.

(f) Foreign Currency Translation

The functional and reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit and loss.

(g) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The Company's main judgements, estimates, and assumptions are presented below:

(a) Deferred income tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(b) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative other than to do so.

5. Note receivable

In July 2019, the Company provided a \$50,000 unsecured, non-interest bearing loan to a shareholder of the Company. The note receivable is repayable on or before December 31, 2019, or on demand at the option of the Company.

6. Share capital

(a) Authorized

The Company has authorized an unlimited number of common shares without par value.

(b) Issued

As at August 31, 2019, there were 8,506,201 common shares outstanding.

During the period from incorporation on September 5, 2018 to August 31, 2019, the Company issued the following common shares:

- On September 5, 2018, the Company issued 1 common share pursuant to the incorporation of the Company at a price of \$1 per share;
- On February 8, 2019, the Company issued 406,200 common shares as part of the arrangement agreement with Elysian (Note 1); and
- On July 19, 2019, the Company completed a non-brokered private placement of 8,100,000 units at \$0.025 per unit for proceeds of \$202,500 (Note 7). Each unit was comprised of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.05 for 36 months.

Cliffwood Capital Corp. (formerly 1178406 B.C. Ltd.)

Notes to Financial Statements

August 31, 2019

(Expressed in Canadian Dollars)

6. Share capital (continued)

(c) Warrants

The warrant continuity schedule is as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, September 5, 2018	-	\$ -
Warrants issued	8,100,000	0.05
Warrants outstanding, August 31, 2019	8,100,000	\$ 0.05

Details of warrants outstanding at August 31, 2019 are as follows:

Exercise price (\$)	Number of warrants outstanding	Expiry date
0.05	8,100,000	July 18, 2022

The weighted average remaining contractual life of warrants outstanding at August 31, 2019 is 2.88 years.

7. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Remuneration attributed to key management personnel includes:

- Consulting fees of \$5,775 were paid to a company controlled by the CFO of the Company during the period from incorporation to August 31, 2019.

During the period from incorporation on September 5, 2018 to August 31, 2019, the Company entered into the following transactions with related parties:

- 2,000,000 common shares of the Company were issued to the Chief Executive Officer and director of the Company for proceeds of \$50,000 (Note 6); and
- 100,000 common shares of the Company were issued to the Chief Financial Officer and director of the Company for proceeds of \$2,500 (Note 6).

At August 31, 2019, there is a balance of \$96 payable to a company controlled by the CFO of the Company, which is included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

8. Management of capital

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

9. Financial instruments

(a) Categories of financial instruments and fair value measurements

	August 31, 2019
Financial assets at amortized cost	
Cash	\$ 133,573
Note receivable	50,000
Financial liabilities at amortized cost	
Accounts payable	(2,620)
	<u>\$ 180,953</u>

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

(b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and note receivable. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2019. The Company assessed liquidity risk as low.

9. Financial instruments (continued)

(b) Management of financial risks (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

10. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Period from September 5, 2018 to August 31, 2019
Net loss	\$ (26,548)
Statutory income tax rate	27%
Expected income tax recovery at the statutory tax rate	(7,168)
Temporary difference not recognized	7,168
Income tax recovery	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	August 31, 2019
Non-capital losses	\$ 26,548

The Company has non-capital losses of \$26,548 available for carry-forward that will expire in 2039.

Schedule "C"

Financial Statements of the Corporation for the Six Months Ended February 28, 2022

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Condensed Interim Consolidated Financial Statements
For the three and six months ended February 28, 2022

Expressed in Canadian Dollars
(unaudited)

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	February 28, 2022 (Unaudited)	August 31, 2021 (Audited)
ASSETS			
Current assets			
Cash		\$ 3,785,714	\$ 3,023,188
Term deposits		25,000	-
Accounts receivable	4	66,734	-
Prepaid expenses and other current assets		396,175	4,646
Inventory	5	807,140	-
Notes receivable	6 & 15	10,067	216,933
		<u>5,090,830</u>	<u>3,244,767</u>
Non-Current assets			
Property and equipment	8	81,746	2,548
Right-of-use asset	9	294,948	-
Goodwill	3	2,004,755	-
Security deposit		-	36,855
		<u>2,381,449</u>	<u>39,403</u>
Asset held for sale	8	54,102	-
Total assets		\$ <u>7,526,381</u>	\$ <u>3,284,170</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	15	\$ 340,100	\$ 220,625
Deferred revenue		350,583	-
Current portion of lease liability	10	119,627	-
Notes payable	11 & 15	86,647	-
Subscription liability		-	816,650
		<u>869,957</u>	<u>1,037,275</u>
Non-Current liabilities			
Lease liability	10	155,276	-
Total liabilities		<u>1,052,233</u>	<u>1,037,275</u>
Equity			
Share capital	12	10,260,813	2,861,445
Warrants reserve	12	83,876	47,484
Share-based payment reserve		184,438	45,976
Obligation to issue shares	12	408,800	250,000
Accumulated deficit		(4,463,779)	(958,010)
Total shareholders equity		<u>6,474,148</u>	<u>2,246,895</u>
Total liabilities and equity		\$ <u>7,526,381</u>	\$ <u>3,284,170</u>
Going concern	1		
Commitments	14		
Subsequent events	19		

Approved on behalf of the Board:

"Bronson Peever"

Bronson Peever, Director

"Liam Firus"

Liam Firus, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(unaudited)

		Three months ended February 28,		Six months ended February 28,	
	Note	2022	2021	2022	2021
Revenue	13	\$ 3,002	\$ -	\$ 44,302	\$ -
Cost of goods sold	5	(1,237)	-	(29,367)	-
Gross profit		1,765	-	14,935	-
Operating Expenses					
Consulting fees		306,846	9,330	649,569	14,155
Employee wages and benefits	15	259,988	-	435,824	-
Share-based payments	12 & 15	162,339	-	254,854	-
Advertising and promotional		108,161	-	201,737	-
Professional fees		127,039	1,490	154,442	2,024
Office and administration		44,992	5,873	91,736	5,955
Depreciation and amortization	8 & 9	37,672	-	71,265	-
Insurance		26,260	-	26,260	-
Shipping, freight and delivery		3,966	-	5,322	-
Total Operating Expenses		1,077,263	16,693	1,891,009	22,134
Operating loss		(1,075,498)	(16,693)	(1,876,074)	(22,134)
Other expenses (income)					
Transaction costs (recovery)	3	(35,400)	-	1,852,468	-
Reversal of change in fair value of contingent consideration		23,993	-	-	-
Foreign exchange loss		627	-	16,327	-
Interest expense, net	10	10,900	-	10,900	-
Realized loss (gain) on investment	7	-	76,997	-	(86,363)
Unrealized gain on investment	7	-	(43,340)	-	(43,340)
Total other expenses (income)		120	33,657	1,879,695	(129,703)
Net and comprehensive income (loss)		\$ (1,075,618)	\$ (50,350)	\$ (3,755,769)	\$ 107,569
Basic and diluted profit (loss) per share		\$ (0.02)	\$ (0.01)	\$ (0.09)	\$ 0.01
Weighted average number of shares outstanding					
- basic and diluted		46,416,370	8,700,701	41,203,002	8,700,701

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(unaudited)

	Note	Share capital		Share-based payment reserve	Warrant reserve	Obligation to issue shares	Deficit	Total shareholders' equity
		Number	Amount					
Balance, August 31, 2020		8,710,700	\$ 221,951	\$ -	\$ -	\$ -	\$ (79,969)	\$ 141,982
Net and comprehensive income		-	-	-	-	-	107,569	107,569
Balance, February 28, 2021		8,710,700	221,951	-	-	-	27,600	249,551
Balance, August 31, 2021		26,196,700	2,861,445	45,976	47,484	250,000	(958,010)	2,246,895
Common shares issued, net of share issue costs	12	10,000,000	3,981,100	-	-	-	-	3,981,100
Shares issued in Spark Acquisition	3	6,000,000	1,730,400	-	-	-	-	1,730,400
Shares issued as advisory success fee	3	4,219,670	1,687,868	-	-	-	-	1,687,868
Share-based payments	12	-	-	138,462	36,392	-	-	174,854
Contingent shares to be issued in Spark Acquisition and as success fee	3	-	-	-	-	328,800	-	328,800
Shares to be issued as consulting fee	12	-	-	-	-	80,000	-	80,000
Transfer on cancellation of share issuance obligation	12	-	-	-	-	(250,000)	250,000	-
Net and comprehensive loss		-	-	-	-	-	(3,755,769)	(3,755,769)
Balance, February 28, 2022		46,416,370	\$ 10,260,813	\$ 184,438	\$ 83,876	\$ 408,800	\$ (4,463,779)	\$ 6,474,148

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(unaudited)

		Six months ended February 28,	
	Note	2022	2021
Cash provided by (used in):			
Operating activities:			
Net income (loss)	\$	(3,755,769)	\$ 107,569
Items not involving cash:			
Non-cash transaction expense	3	1,852,468	-
Share-based payments	12	254,854	-
Depreciation	8 & 9	71,265	-
Realized loss (gain) on investment	7	-	(86,363)
Unrealized gain on investment	7	-	(43,340)
Changes in non-cash working capital items:			
Accounts receivable		(48,674)	-
Inventory		(494,378)	-
Prepaid expenses and other current assets		(391,529)	-
Accounts payable and accrued liabilities		104,995	(11,555)
Deferred revenue		350,583	-
Net cash used in operating activities		(2,056,185)	(33,689)
Investing activities:			
Purchase of equipment	8	(98,646)	-
Repayment of note payable	11	(29,126)	-
Advances to Spark before the Acquisition	3	(159,601)	-
Purchase of term deposit		(25,000)	-
Cash assumed in acquisition of Spark	3	12,603	-
Purchase of investment	7	-	(150,000)
Proceeds on sale of investment, net	7	-	80,840
Net cash used in investing activities		(299,770)	(69,160)
Financing activities:			
Common shares issued for cash, net of cash transaction costs	12	3,164,450	-
Repayment of lease liability		(45,969)	-
Net cash provided by financing activities		3,118,481	-
Increase (Decrease) in cash flows		762,526	(102,849)
Cash balance, beginning of the period		3,023,188	160,420
Cash balance, end of the period	\$	3,785,714	\$ 57,571
		\$	\$
Income tax paid		-	-
Interest received (paid)		-	-
Non-cash investing and financing activities			
Acquisition of right-of-use asset		355,972	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

1. Entity information

Hypercharge Networks Corporation (formerly Cliffwood Capital Corp). (the "Company") was incorporated under the British Columbia Business Corporations Act on September 5, 2018. The head office of the Company is located at Suite 310 – 1008 Homer Street, Vancouver, British Columbia, V6B 2X1 and the registered and records office of the Company is located at 6204 – 125th Street, Surrey, British Columbia, V3X 2X1.

Upon incorporation, the Company's objective was to identify an appropriate business for acquisition or investment. During the year ended August 31, 2021, the Company started the business of providing electric vehicle charging equipment and solutions. The Company acquired all the existing and outstanding shares of Spark Charging Solutions Inc. ("Spark") (Note 3) to add to its existing business of providing electric vehicle charging solutions. The transaction combines two established teams with experience in EV technology, software and hardware. Spark supplies and installs EV charging stations across Canada; and holds Canadian distribution rights to charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The combined teams will continue to grow as Hypercharge scales strategic operations and support of existing and new clients across North America.

The Company is an early-stage company and is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on satisfactory terms. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with its cash on hand, and/or additional financing that has not currently been sought. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the war and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the war in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

2. Significant accounting policies**(a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these condensed interim consolidated financial statements should be read in conjunction with the Company's August 31, 2021 audited annual financial statements and the notes to such financial statements. Certain comparative figures have been reclassified to conform with current period presentation.

The condensed interim consolidated financial statements of the Company for the three and six months ended February 28, 2022 were authorized for issue by the Board of Directors ("Board") on April 29, 2022.

(b) New significant accounting policies

The Company adopted the following significant accounting policies during the six months ended February 28, 2022:

(i) Revenue from contracts with customers

The Company's revenue consists of sales of equipment and software. Revenue is recognized at a point in time once the Company has satisfied its performance obligations and the control of the goods has transferred from the Company to the customer. Customer orders with distinct goods are considered to have multiple performance obligations in which revenue is recognized as each performance obligation has been completed. When promised goods in a contract are not distinct, the good is combined with other promised goods until they form a distinct bundle of goods, in which they are accounted for as a single performance obligation. The Company considers the terms of each contract when determining whether a performance obligation has been satisfied as well as the point of revenue recognition. Such considerations include, but are not limited to, shipping terms, transfer of title, and risks and rewards associated with title to the goods.

(ii) Inventory

The Company's inventory is stated at the lower of cost and net realisable value. Cost comprises the amount paid to the supplier to acquire the goods for sale and all costs associated with bringing the inventory to its current location. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value reflects the estimated selling price in the ordinary course of business.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

2. Significant accounting policies (continued)

(b) New significant accounting policies (continued)

(iii) Business combinations and goodwill

The Company accounts for business combinations utilizing the acquisition method. The cost of an acquisition comprises the fair value of assets transferred, liabilities incurred to the vendors of the acquired entity, equity interest issued and fair value of any asset or liability arising from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of the acquisition. The Company expenses all acquisition related costs as they are incurred. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently measured at fair value with changes in fair value recognized in profit or loss. Amounts classified as equity are not subsequently revalued.

Goodwill represents the fair value of net identifiable assets acquired in a business combination over the consideration transferred to the vendors of the acquired entity, non-controlling interests in the acquired entity and the fair value of previously held equity instruments of the acquired entity. If such amount is less than the fair value of the net identifiable assets, the Company recognizes a bargain purchase in profit or loss. Upon acquisition, goodwill is classified as an asset with an indefinite useful life and is tested for impairment at least annually or upon the recognition of an event or change in circumstances that indicate goodwill may be impaired.

(iv) Leases

Upon the inception of a contract, the Company assesses whether the contract is, or contains a lease. The Company accounts for a contract as a lease when the contract conveys a right to control an identified asset for a specified period of time in exchange for consideration. Upon the commencement date of a lease, the Company recognizes a lease liability and a right-of-use asset.

Payments for short-term leases (term of 12 months or less) and leases for low value assets are recognized are expensed as incurred.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

2. Significant accounting policies (continued)**(b) New significant accounting policies (continued)****(iv) Leases (continued)**

Lease liabilities are measured as the present value of lease payments to be made over the lease term. Lease payments include fixed payments less any incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid as a residual value guarantee. The Company calculates the present value of lease payments using its incremental borrowing rate at the date in which the lease commences as the rate of interest in the lease is not readily determinable. Subsequently, the lease liability is decreased to reflect each lease payment, net of any interest accretion recorded. Additionally, the lease liability is remeasured when there is a change in future payments to be made, a change in residual value guarantee, or a reassessment of whether the Company expects to exercise a purchase, extension, or termination option. Upon remeasurement of a lease liability, an offsetting adjustment is made to the carrying amount of the right-of-use asset, with an amount recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Right-of-use assets are measured as the initial amount of the lease liability, plus any amounts paid to the lessor at or prior to the commencement date, initial direct costs, and estimated restoration costs less any lease incentives received. Right-of-use assets are subsequent depreciated on basis the reflects the lower of the estimated useful life of the asset and the end of the lease term.

3. Business combination

On November 1, 2021 (the "Acquisition Date"), the Company acquired all of the issued and outstanding shares of Spark Charging Solutions Inc. pursuant to a share exchange agreement (the "Spark Acquisition"). The consideration for the transaction consisted of: (i) issuance of 6,000,000 common shares (the "Consideration Shares") of the Company to the vendors (issued), and (ii) up to 1,000,000 contingent shares (the "Spark Contingent Shares") based on the following milestones: (i) 333,334 shares to be issued upon the deployment of 150 chargers by November 1, 2022; (ii) 333,334 shares to be issued upon hitting a gross revenue threshold of \$1,000,000 by November 1, 2022; and (iii) 333,334 shares to be issued upon hitting a gross revenue threshold of \$4,000,000 by November 1, 2024. The Company is also required to settle Spark's existing outstanding debt by issuing shares or making future cash payments of \$191,546 (of which \$95,773 has been paid through November 30, 2021).

The Consideration Shares will be held in escrow and released over a 36-month period after the Company is listed on a Canadian securities exchange.

Related to Spark Acquisition, the transaction cost \$1,852,268 consisted of: (i) issuance of 4,219,670 common shares of the Company to the advisors, valued at \$0.40 per share for a fair value of \$1,687,868, (ii) up to 1,000,000 contingent shares, valued at \$164,400, to be issued to the advisors in the next 36 months if the same milestones as the Spark Contingent Shares are met.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

3. Business combination (continued)

The transaction was accounted for as a business combination, as the operations of Spark meet the definition of a business. Transaction costs were expensed.

Spark supplies and installs EV charging stations across Canada and holds Canadian distribution rights to all charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The acquisition is intended to combine two established teams with experience in EV technology, software and hardware further enabling the company to scale strategic operations and support of existing and new clients across North America

The following table summarizes the purchase consideration:

Fair value of 6,000,000 common shares issued	\$	1,730,400
Fair value of 1,000,000 Spark Contingent Shares to be issued		164,200
Total consideration paid	\$	1,894,600

The fair value of the consideration transferred was determined on a preliminary basis. The fair value of the 6,000,000 common shares issued was determined based on the share price of the most recent private placement of \$0.40 per share, adjusted for the discount for lack of marketability \$669,600, as the Company's shares were not publicly traded.

The estimated fair value of the Spark Contingent Shares of \$164,200 is based on 1,000,000 shares, valued at \$0.40 per share, being the most recent private placement price, adjusted for a discount of 235,800, incorporating probability of whether, and when, the milestone threshold would be met, amongst other variability in the outcomes.

The purchase has been accounted for by the acquisition method, with the results of Spark included in the Company's results of operation from the date of acquisition. The fair value of the assets acquired and the liabilities assumed has been determined on a provisional basis utilizing information available at the time the unaudited condensed interim consolidated financial statements were prepared. Additional information is being gathered to finalize these provisional measurements, particularly with respect to intangible assets, working capital and deferred taxes. Accordingly, the measurement of assets acquired and liabilities assumed may change upon finalization of the Company's valuation and completion of the purchase price allocation, both of which are expected to occur no later than one year from the acquisition date.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

3. Business combination (continued)

The following table summarizes the provisional fair values of the identifiable assets and liabilities as at the date of acquisition:

Cash	\$	12,603
Accounts receivable		16,305
Notes receivable		10,067
Inventory		302,986
Equipment		54,671
Accounts payable		(14,480)
Notes payable		(115,773)
Notes payable - Hypercharge		(376,534)
Goodwill		2,004,755
Total consideration paid	\$	1,894,600

The fair value of the accounts receivable acquired is \$16,305. This consists of the gross contractual value all of which is expected to be collected.

The goodwill of \$2,004,755 comprises the value of the expected synergies arising from the acquisition.

From the date of the acquisition, Spark reported a net loss of \$6,499. If the acquisition had taken place on September 1, 2021, revenue would have increased by an additional \$69,342 and net loss would have increased by an additional \$88,388.

4. Accounts receivable

	February 28, 2022	August 31, 2021
Trade accounts receivable	\$ 4,552	\$ -
GST/HST Receivable	57,267	-
Other receivable	4,915	-
	\$ 66,734	\$ -

The Company did not recognize any bad debt expense during the three and six months ended February 28, 2022 (2021 – nil and nil).

5. Inventories

The Company's inventories consist of electric vehicle chargers available for sale to customers. During the three and six months ended February 28, 2022, the Company recorded \$1,237 and \$29,367, respectively, of inventory as an expense of cost of goods sold (2021 – nil and nil).

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

6. Notes receivable

During the six months ended February 28, 2022, the Company provided a series of advances to Spark totaling \$159,601, prior to November 1, 2021. On November 1, 2021, the Company acquired the issued and outstanding shares of Spark (see Note 3), and as a result of the business combination with Spark, amounts owing have been fully eliminated on consolidation at February 28, 2022.

7. Investment

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing.

Subsequently, on October 21, 2020, American CBD entered into an Amalgamation Agreement (the "Agreement") with Thoughtful Brands Inc. ("Thoughtful Brands") and pursuant to the Agreement, the Company received 4,820,917 shares of Thoughtful Brands in exchange for its shares of American CBD.

On April 16, 2021, Thoughtful Brands' issued and outstanding common shares were consolidated on the basis of one (1) new common share for every ten (10) common shares issued and outstanding. All Thoughtful Brands share and per share amounts disclosed herein are pre-consolidation. From the period of October 21, 2020 through April 16, 2021, the Company sold 2,025,230 shares and had a remaining balance of 2,795,687 prior to the consolidation and 279,568 shares following the consolidation.

During the period of April 17, 2021 to August 31, 2021, the Company sold an additional 38,522 shares and as at August 31, 2021 held 241,046 shares. Additionally, during the year ended August 31, 2021, the Company received net proceeds from the sales of shares of \$128,350 and recognized realized gains on the disposition of the investments of \$53,350 and unrealized losses on the change in fair value of the investments of \$37,638.

The Company did not buy or sell any additional shares during the six months ended February 28, 2022.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

8. Equipment

Cost	Computer equipment	Furniture and equipment	Vehicles	Leasehold Improvements	Demo Units	Total
August 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	2,698	-	-	-	-	2,698
August 31, 2021	2,698	-	-	-	-	2,698
Acquired (note 3)	-	-	54,671	-	-	54,671
Additions	7,420	6,365	-	64,500	20,361	98,646
Reclassified to inventory	-	-	-	-	(9,776)	(9,776)
Reclassified to held for sale February 28, 2022	-	-	(54,671)	-	-	(54,671)
	\$ 10,118	\$ 6,365	\$ -	\$ 64,500	\$ 10,585	\$ 91,568
Accumulated Depreciation	Computer equipment	Furniture and equipment	Vehicles	Leasehold Improvements	Demo Units	Total
August 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	150	-	-	-	-	150
August 31, 2021	150	-	-	-	-	150
Additions	911	106	569	7,478	1,177	10,241
Reclassified to held for sale February 28, 2022	-	-	(569)	-	-	(569)
	\$ 1,061	\$ 106	\$ -	\$ 7,478	\$ 1,177	\$ 9,822
Net book value	Computer equipment	Furniture and equipment	Vehicles	Leasehold Improvements	Demo Units	Total
February 28, 2022	\$ 9,057	\$ 6,259	\$ -	\$ 57,022	\$ 9,408	\$ 81,746
August 31, 2021	\$ 2,548	\$ -	\$ -	\$ -	\$ -	\$ 2,548

On February 28, 2022, the Company reclassified demonstration units to inventory that had become available for sale in the Company's operations of \$9,776 and a vehicle to assets held for sale with a net book value of \$54,102.

9. Right-of-use asset

	Building
Balance, August 31, 2020 & 2021	\$ -
Additions	355,972
Depreciation	(61,024)
Balance, February 28, 2022	\$ 294,948

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

10. Lease liability

	February 28, 2022	August 31, 2021
Balance, beginning of period	\$ -	\$ -
Additions	320,872	-
Interest expense	10,905	-
Lease repayments	(56,874)	-
Balance end of period	\$ 274,903	\$ -
Current	\$ 119,627	\$ -
Non-current	155,276	-
	\$ 274,903	\$ -

During the six months ended February 28, 2022, the Company recorded interest expense and interest payments of \$10,905 (2020 –nil) associated with interest on the lease liability. The Company's lease contract is associated with the lease of office space and expires in 2024. Payments are discounted using an incremental borrowing rate of 9.00%.

11. Notes payable

Upon the acquisition of Spark, the Company assumed \$115,773 of notes payable (see note 3), of which \$57,520 are due to related parties (see note 15). During the six months ended February 28, 2022, the Company repaid \$29,126 to a noteholder. The notes are unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

12. Share capital**(a) Authorized**

The Company has authorized an unlimited number of common shares without par value.

(b) Issued

As at February 28, 2022, there were 46,416,370 (August 31, 2021 - 26,196,700) common shares outstanding.

As at February 28, 2022, the Company has recorded \$80,000 for 200,000 common shares to be issued to a consultant in exchange for services provided.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

12. Share capital (continued)

(b) Issued (continued)

On November 12, 2021, the Company entered into an amended employment agreement with its CEO, discharging its obligation to issue 1,000,000 shares to its CEO. The Company accounted for the contract amendment as a modification to a share-based payment arrangement in which there has been a reduction in the number of equity instruments to be issued to an employee. As a result, the transaction has been accounted for as a cancellation, and as there was no remaining vesting period, the Company did not incur any additional share-based payment expenditures during the six months ended February 28, 2022. As at February 28, 2022, the Company reclassified its previously recorded obligation to issue shares balance of \$250,000 to deficit.

On November 1, 2021, the Company issued 6,000,000 common shares to the vendors of the Spark acquisition (see Note 3) and 4,219,670 common shares to advisors as an advisory success fee, valued at \$0.40 per share, being the most recent private placement price.

On October 1, 2021, the Company completed a non-brokered private placement issuing 10,000,000 common shares of the Company at a price of \$0.40 per share for gross proceeds of \$4,000,000, of which \$816,650 had been received prior to September 1, 2021 and were reclassified from subscription liability to share capital upon share issuance. The Company paid \$18,900 in finder's fees associated with the offering.

On May 21, 2021, the Company closed a non-brokered private placement by issuing 10,186,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,546,500. The Company incurred cash commission fees of \$31,500, issued 126,000 warrants as finders fees with a grant date fair value of \$16,380 and incurred share issue costs of \$5,126.

On April 22, 2021, the Company closed a non-brokered private placement by issuing 7,300,000 common shares at a price of \$0.02 per share for gross proceeds of \$146,000.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

12. Share capital (continued)**(c) Warrants****(i) Non-performance warrants:**

The non-performance warrant continuity schedule is as follows:

Six months ended February 28	2022		2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the period	126,000	\$ 0.25	8,100,000	\$ 0.05
Balance, end of the period	126,000	\$ 0.25	8,100,000	\$ 0.05
Warrants exercisable, end of the period	126,000	\$ 0.25	8,100,000	\$ 0.05

Details of the non-performance warrants outstanding as at February 28, 2022 are as follows:

Exercise price	Number of warrants outstanding	Expiry date
\$ 0.25	126,000	May 21, 2023

The weighted average remaining contractual life of the non-performance warrants outstanding as at February 28, 2022 is 1.22 years.

(ii) Performance warrants

On August 3, 2021, the Company granted 2,000,000 performance warrants to an advisor for consideration of a future financing transaction. The warrants will vest upon the completion of a future financing transaction, whereby the Company will obtain a listing on a Canadian stock exchange and conduct a subsequent offering to raise a minimum of \$5 million. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of \$0.25 per share, valid for a period of two years from the vesting date. The Company has accounted for the transaction in accordance with IFRS 2 – Share-based payments ("IFRS 2") as a share-based payment with a performance condition, and the cumulative fair value represents the best available estimate of the equity instruments expected to vest as at August 3, 2021. As a result of the nature of the transaction representing a share issuance cost, the Company will capitalize the cumulative fair value of the services provided by the advisor as a deferred offering cost. Due to the Company's success with recent private offerings, subsequent financing following a public listing may not be needed; therefore, there has been no cumulative cost recorded through February 28, 2022.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

12. Share capital (continued)**(c) Warrants (continued)****(ii) Performance warrants (continued):**

On August 5, 2021, and amended on November 15, 2021, the Company entered into a collaboration agreement (the "Collaboration Agreement") for an arrangement to supply, install and maintain electric vehicle charging stations. On the same date, the Company provided the third-party with 2,080,000 performance warrants, 200,000 of which vested immediately and the remaining vest in six tranches during the three years following the commencement of the agreement. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of \$0.25 per share, valid for a period of three years from the date in which the tranche vested. A condition of the Collaboration Agreement required further agreements to be entered into within twenty-one (21) days of the signing of the Collaboration Agreement. The Company and the other party signed an agreement to extend the term in which the further agreements needed to be signed to continue the Collaboration Agreement, and subsequently the Company and the other party entered into all required agreements.

The Company has accounted for the transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at February 28, 2022 and August 31, 2021. During the six months ended February 28, 2022, the Company recorded share-based payment expense of \$36,392 (2021 – \$nil) relating to the share-based payment component of this agreement.

The performance warrant continuity schedule is as follows:

Six months ended February 28	2022		2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the period	4,080,000	\$ 0.25	-	\$ -
Balance, end of the period	4,080,000	\$ 0.25	-	\$ -
Warrants exercisable, end of the period	200,000	\$ 0.25	-	\$ -

Details of the exercisable performance warrants exercisable at February 28, 2022 is as follows:

Exercise price	Number of warrants exercisable	Expiry date
\$ 0.25	200,000	August 5, 2024

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

12. Share capital (continued)

(c) Warrants (continued)

(ii) Performance warrants (continued):

The fair value of the performance warrants was determined using the Black-Scholes model using the following assumptions:

Six months ended February 28	2022	2021
Exercise life	3 years	-
Expected volatility	87.00% - 88.63%	-
Risk-free rate	1.07% - 1.52%	-
Dividend yield	-	-
Underlying share price	\$ 0.40	-
Exercise price	\$ 0.25	-

(d) Stock Options

The Company has an incentive stock option plan whereby the Company may grant incentive stock options ("Options") to directors, officers, employees and independent consultants to purchase voting common shares of the Company. The terms and conditions of each option granted under the stock option plan are determined by the Board of Directors. The number of common shares reserved for issuance upon the exercise of options is limited to a maximum of 20% of the issued and outstanding common shares of the Company at any time.

During the six months ended February 28, 2022, the Company recorded stock-based compensation of \$138,462 (2021 – \$nil).

The Stock Option continuity schedule is as follows:

Six months ended February 28	2022		2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	1,500,000	\$ 0.25	-	\$ -
Granted	475,000	0.40	-	-
Balance, end of period	1,975,000	\$ 0.29	-	\$ -
Options exercisable, end of period	468,750	\$ 0.26	-	\$ -

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

12. Share capital (continued)**(d) Stock Options (continued)**

The following is a summary of the outstanding Options at February 28, 2022:

Exercise price	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
\$ 0.25	1,500,000	3.61 years	437,500	0.9 years
\$ 0.40	475,000	2.88 years	31,250	0.8 years
	1,975,000		468,750	

The fair value of the options issued during the six months ended February 28, 2022 and 2021 were estimated using the following Black-Scholes Model assumptions:

Six months ended February 28	2022	2021
Expected life	3 years	-
Expected volatility	86.58% - 87.22%	-
Risk-free rate	1.13 - 1.61%	-
Dividend yield	-	-
Underlying share price	\$ 0.40	-
Exercise price	\$ 0.40	-

(e) Performance share units

On February 15, 2022, the Company granted 550,000 Performance Share Units ("PSUs") to employees of the Company. Each PSU requires the Company to deliver one (1) common share of the Company's share capital for each unit that vests. The PSUs vest upon meeting specific performance targets related to deployment of certain numbers of EV chargers on or before specified dates.

As at February 28, 2022, the Company issued 550,000 PSUs (August 31, 2021 – nil) which have been accounted for as an equity-settled plan. The Company has not recorded any expense associated with the PSUs during the six months ended February 28, 2022.

(f) Reserves

The share-based payment reserve and warrant reserve record items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

13. Revenue

	Six months ended February 28	
	2022	2021
Equipment sales	\$ 42,585	\$ -
Software sales	417	-
Other sales	1,300	-
	<u>\$ 44,302</u>	<u>\$ -</u>

14. Commitments

As at February 28, 2022, the Company has committed to the following undiscounted minimum lease payments:

Remaining 2022	\$	68,575
2023		140,400
2024		93,600
Total	\$	<u>302,575</u>

15. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company measures related party transactions at the exchange amount which represents the consideration agreed upon between the Company and the related party.

In addition to cash compensation, the Company also permits participation in the Stock Option Plan.

The compensation paid to key management personnel is as follows:

	Six months ended February 28	
	2022	2021
Wages and benefits	\$ 156,424	\$ -
Share-based payments	75,841	-
	<u>\$ 232,265</u>	<u>\$ -</u>

On November 1, 2021, in connection with the acquisition of Spark (see Note 3) the Company acquired a note receivable from a director of the Company totaling \$10,067. As at February 28, 2022, the balance of the note receivable of \$10,067 is unsecured, non-interest bearing and due on demand.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

15. Related party transactions (continued)

On November 1, 2021, in connection with the acquisition of Spark (see Note 3), the Company assumed a note payable from an entity controlled by close family members of a director of the Company totaling \$7,749. As at February 28, 2022 the balance of the note of \$7,749 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

On November 1, 2021, in connection with the acquisition of Spark (see Note 3) the Company assumed a note payable from an entity controlled by a Company director and a close family member totaling \$49,771. As at February 28, 2022, the balance of the note of \$49,771 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the six months ended February 28, 2021, the Company paid \$9,450, to a Company controlled by a family member of the Company's former CFO and former director for consulting services. As at February 28, 2022, the Company has a balance payable to this entity of \$nil (August 31, 2021 - \$1,066) included in accounts payable. The amount was unsecured, non-interest bearing, and had no fixed terms of repayment.

Included in accounts payable and accrued liabilities at February 28, 2022 was \$28,011 payable to directors, officers and related entities of the Company (August 31, 2021 - \$12,246). The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

16. Management of capital

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

17. Financial instruments

(a) Set out below are categories of financial instruments and fair value measurements:

	February 28, 2022	August 31, 2021
Financial assets at fair value		
Cash	\$ 3,785,714	\$ 3,023,188
Financial assets at amortized cost		
Term deposits	25,000	-
Accounts receivable	66,734	-
Notes receivable	10,067	216,933
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	(340,100)	(220,625)
Lease liability	(274,903)	-
Subscription liability	-	(816,650)
Notes payable	(86,647)	-
	\$ 3,185,865	\$ 2,202,846

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

17. Financial instruments (continued)

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the condensed interim consolidated financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The Company's cash is valued using level one inputs.

(b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and accounts receivable. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. At February 28, 2022, there was one customer with amounts outstanding that exceed 10% of the Company's trade accounts receivable that totaled 88% in aggregate. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at February 28, 2022. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

18. Segmented reporting

The Company operates in a single segment, the sale of electric vehicle charging equipment, software, and maintenance contracts. During the six months ended February 28, 2022, the Company recognized 100% of its revenue from 2 customers (Customer A – 54%, Customer B – 46%), both of whom are located in Canada. The Company's equipment and goodwill are located in Canada.

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the six-month period ended February 28, 2022 and 2021

(Expressed in Canadian Dollars)

(unaudited)

19. Subsequent events

The Company entered into a share exchange agreement with CoSource Information Technology Service Inc. ("CoSource"), a full-service digital agency specializing in digital innovation, marketing, and software product development (the "Acquisition"). Pursuant to the Agreement, the Company will acquire 100% of the issued and outstanding shares of CoSource in exchange for: (i) 3,800,000 common shares of the Company (the "Consideration Shares") and (ii) 1,500,000 performance warrants (the "Performance Warrants"), where each Performance Warrant will be exercisable into one common share of the Company (each, a "Common Share") at a price of \$0.02 per share upon the Company's achievement of certain revenue-based milestones. The Consideration Shares will be subject to voluntary resale restrictions, where 10% of the Consideration Shares will be released on the date the Common Shares are listed on a Canadian securities exchange, with the balance of the Consideration Shares being released in six (6) equal 15% installments every six (6) months thereafter.

The Company granted 50,000 Options to its CFO and 100,000 Options to an employee of the Company. Each option permits the holder to purchase one (1) common share of the Company's share capital at an exercise price of \$0.40 per share with a term of three (3) years after grant date.

The Company incorporated Hypercharge Networks Inc., a wholly owned subsidiary incorporated in the United States.

On April 12, 2022, the company was notified of a civil claim filed by AddEnergie/Flo for unlawful solicitation of AddEnergie/FLO's prospective customers and business opportunities. The Company believes the claim is without merit and has a multitude of valid arguments to defend against the claim.

Schedule “D”

**Management’s Discussion and Analysis of the Corporation for the Years Ended August 31, 2021 and 2020 and
the Period from September 5, 2018 (Incorporation) to August 31, 2019**

Hypercharge Networks Corp

(formerly Cliffwood Capital Corp.)

Management Discussion & Analysis
For the year ended August 31, 2021

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Hypercharge Network Corp.’s (“Hypercharge”, the “Company”, “we” or “us”) past performance and future outlook. This MD&A should be read in conjunction with our annual financial statements for the year ended August 31, 2021 (the “Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated. All information contained in this MD&A is current as of December 29, 2021 unless otherwise stated. Additional information on the Company is available on SEDAR.

Forward Looking Information

Certain sections of this MD&A may contain forward-looking statements. Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, and similar expressions used by the Company’s management are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

The forward-looking statements contained herein are based on information available as of December 29, 2021.

Our Business

The Company was incorporated under the British Columbia Business Corporations Act on September 5, 2018. On March 10, 2021, the Company changed its name to Hypercharge Networks Corp from Cliffwood Capital Corp.

In June 2021, the Company commenced operations as a turnkey electric vehicle (EV) charging solutions provider, supplying seamless, simple charging experiences through industry leading equipment, strategic partnerships and acquisitions, and a robust network of public and private charging stations.

On February 28, 2021, the Company signed a Letter of Intent to enter into a transaction comprised of a business combination with Spark Charging Solutions Inc. On November 1, 2021, the Company acquired all the issued and outstanding shares of Spark Charging Solutions Inc. (“Spark”) pursuant to a share exchange agreement. The Company’s acquisition of Spark combines two established teams with experience in EV technology, software and hardware.

On August 5, 2021 the Company entered into a collaboration agreement (Partnership) with Toronto-based parking operator, Target Park Group Inc. (“Target Park”), initially to deploy 2,500 EV charging stations across North America over the next 36 months. Starting in early 2022, the Company plans to install charging stations at Target Park’s prime Toronto locations including 370 King Street West and 7 Queen Quay East, and at two hotels Radisson on Queens Quay West and Le Centre Sheraton Montreal on René-Lévesque Blvd West in Montreal. Through the Partnership, the Company is poised to provide its turnkey charging solutions to the growing EV driver market across Canada and the US, furthering their mission to accelerate the adoption of EVs and support the shift towards a carbon neutral economy.

SELECTED ANNUAL INFORMATION

	Year ended August 31, 2021	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Revenues	\$ -	\$ -	\$ -
Loss and comprehensive loss	878,041	53,421	26,548
Loss per share, basic and diluted	0.06	0.01	0.02
 Total assets	 3,284,170	 160,420	 183,573
Total non-current financial liabilities	-	-	-

Results of Operations

At August 31, 2021, the Company had no continuing source of operating revenues. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

At August 31, 2021, the Company had not achieved profitable operations and had accumulated losses of \$958,010 since inception (August 31, 2020 - \$76,969).

Results of operations for the years ended August 31, 2021 and 2020

Set out below is a comparison of the results of operations for the years ended August 31, 2021 and 2020:

	Year ended August 31, 2021	Year ended August 31, 2020
Consulting fees	\$ 210,307	\$ 30,450
Employee wages and benefits	142,733	-
Professional fees	97,590	18,988
Advertising and promotional	67,487	-
Share-based payments	327,080	-
Office and administration	22,878	3,785
Filing fees	1,814	1,872
Depreciation	150	-
Bank charges and interest	1,588	348
Unrealized loss on investment	37,638	-
Realized gain on sale of investment	(53,350)	-
Impairment loss on investment	37,362	-
Foreign exchange gain	(15,236)	-
Interest income	-	(2,022)
 Net and comprehensive loss	 \$ 878,041	 \$ 53,421

The increase in net loss of \$824,620 was primarily driven new expenditures incurred as a result of the commencement of its operations which include employee wages of \$142,733 as a result of the

Company hiring its first employees during the year, advertising and promotional costs of \$67,487 incurred by the Company in the early-stages of its operations and share-based payments of \$327,080; a non-cash expense relating to the issuance of stock options to certain employees of the Company and performance warrants issued to an entity in which the Company has entered into a collaboration agreement. Additionally, the Company incurred a realized gain of \$53,350 associated with the Company's exit in its investment in Thoughtful Brands along with an unrealized loss of \$37,638 associated with declines in market price and an impairment loss of \$37,362 incurred to write-down the investment to net realizable value of nil and a foreign exchange gain of \$15,236. Significant year-over-year increases include consulting fees of \$179,857, professional fees of \$78,602 and office and administration of \$19,093 due to an increase in corporate activity.

Results of operations for the quarters ended August 31, 2021 and 2020

Set out below is a comparison of the results of operations for the three months ended August 31, 2021 and 2020:

	Three months ended August 31, 2021	Three months ended August 31, 2020
Consulting fees	\$ 57,582	\$ 4,725
Employee wages and benefits	142,733	-
Professional fees	88,070	12,928
Advertising and promotional	16,487	-
Share-based payments	327,080	-
Office and administration	6,177	3,785
Depreciation	150	-
Bank charges and interest	346	85
Unrealized loss on investment	124,001	-
Realized loss on sale of investment	(10,010)	-
Impairment loss on investment	37,362	-
Foreign exchange gain	(15,236)	-
Interest income	-	(1,215)
Net and comprehensive loss	\$ 774,742	\$ 20,308

The increase in net loss of \$752,434 was primarily driven new expenditures incurred as a result of the commencement of its operations which include employee wages of \$142,733, as a result of the Company hiring its first employees during the period, advertising and promotional costs of \$16,487 incurred by the Company in the early-stages of its operations and non-cash expenses of share-based payments of \$327,080 relating to the issuance of stock options to certain employees of the Company and performance warrants issued to an entity with which the Company has entered into a collaboration agreement. The company incurred an unrealized loss of \$124,001, a realized gain on the sale of the investment of \$10,010 and an impairment loss of \$37,362 associated with the Company's exit from its investment in Thoughtful Brands, of which the impairment loss reflects the write-down of the Company's remaining investment to nil, and a foreign exchange gain of \$15,236. Significant year-over-year increases include consulting fees of \$52,857 and professional fees of \$75,142 as a result of an increase in corporate activity.

Summary of Quarterly Results

Aug 31, 2021	May 31, 2021	Feb 28, 2021	Nov 30, 2020	Aug 31, 2020	May 31, 2020	Feb 29, 2020	Nov 30, 2019
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Revenue	\$	nil	\$	nil	\$	nil	\$	nil	\$	nil	\$	nil				
Total comprehensive income (loss)	\$	(774,742)	\$	(210,868)	\$	(50,350)	\$	157,919	\$	(20,308)	\$	(14,614)	\$	(12,685)	\$	(5,814)
Earnings (Loss) per share, basic and diluted	\$	(0.03)	\$	(0.02)	\$	(0.01)	\$	0.02	\$	(0.00)	\$	(0.00)	\$	(0.00)	\$	(0.00)
Total assets	\$	3,268,934	\$	2,774,290	\$	256,434	\$	315,020	\$	160,420	\$	162,440	\$	167,189	\$	179,289
Total liabilities	\$	1,037,275	\$	50,000	\$	6,883	\$	15,119	\$	18,438	\$	150	\$	150	\$	9,150

Liquidity and Capital Resources

The Company's working capital was \$2,207,492 at August 31, 2021 compared to \$141,982 at August 31, 2020. The Company had cash on hand of \$3,023,188 at August 31, 2021 compared to \$160,420 at August 31, 2020. On April 22, 2021, the Company closed a non-brokered private placement by issuing 7,300,000 common shares at a price of \$0.02 per share for gross proceeds of \$146,000. On May 21, 2021, the Company closed a non-brokered private placement by issuing 10,186,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,546,500. During the year ended August 31, 2021, the Company received \$816,650 in subscriptions from investors for a future financing transaction. Subsequent to August 31, 2021, shares were issued in respect of these funds received and the liability was discharged accordingly. On April 22, 2020, the Company completed a non-brokered private placement of 194,500 common shares at \$0.10 per share for gross proceeds of \$19,450.

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing.

Subsequently, on October 21, 2020, American CBD entered into an Amalgamation Agreement (the "Agreement") with Thoughtful Brands Inc. ("Thoughtful Brands") and pursuant to the Agreement, the Company received 4,820,917 shares of Thoughtful Brands in exchange for its shares of American CBD.

On April 16, 2021, Thoughtful Brands' issued and outstanding common shares were consolidated on the basis of one (1) new common share for every ten (10) common shares issued and outstanding. All Thoughtful Brands share and per share amounts disclosed herein are pre-consolidation. From the period of October 21, 2020 through April 16, 2021, the Company sold 2,025,230 shares and had a remaining balance of 2,795,687 prior to the consolidation and 279,568 shares following the consolidation.

During the period of April 17, 2021 to August 31, 2021, the Company sold an additional 38,522 shares and as at August 31, 2021 held 241,046 shares.

At August 31, 2021, the Company assessed the fair value of the investment in Thoughtful Brands as nil, and recorded an impairment charge of \$37,362 during the year ended August 31, 2021. Additionally, during the year ended August 31, 2021, the Company received net proceeds from the sales of shares of \$128,350 and recognized realized gains on the disposition of the investments of \$53,350 and unrealized losses on the change in fair value of the investments of \$37,638.

The net increase in cash during the year ended August 31, 2021 was driven by the Company's completed private placements, funds received for the financing completed subsequent to year-end and proceeds from the sales of shares in its investment in TBI, net of cash used for a note receivable issued to Spark Charging Solutions, purchase of the TBI investment and corporate and administrative expenses.

The Company has no operating revenue and therefore must continue to rely on external financing to

generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of shares to finance its operating activities since inception, which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

The Company is not subject to any externally imposed capital requirements.

Commitments

As at August 31, 2021, the Company had committed to a lease that had not yet commenced. The Commitments in accordance with the lease are as follows:

<u>Year ended August 31</u>	
2022	\$ 143,666
2023	147,420
2024	135,135
	<u>\$ 426,221</u>

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

In addition to cash compensation, the Company also permits participation in the Stock Option Plan.

During the year ended August 31, 2021, the Company paid its CEO \$94,005 (2020 – nil) in cash salary and benefits and recorded stock-based compensation expense of \$281,353 (2020 – nil).

During the year ended August 31, 2021, the Company paid \$48,300 (2020 – nil) to an entity controlled by two directors of the Company for CEO services provided. Amounts were fully paid during the year ended August 31, 2021 and there were no amounts payable at August 31, 2021 and 2020.

During the year ended August 31, 2021, the Company paid \$37,725 (2020 - \$19,950) to a Company controlled by a family member of the Company's former CFO and former director for consulting services. As at August 31, 2021, the Company has a balance payable to this entity of \$1,066 (2020 - \$1,575) included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment. During the year ended August 31, 2021, the Company paid \$13,125 (2020 - \$Nil) to the Company's former CFO for consulting services.

During the year ended August 31, 2021, the Company paid \$11,025 to a corporation controlled by a former officer of the Company for contract CFO services. As at August 31, 2021, the Company has a balance payable to this entity of \$3,675 (2020 – nil) included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2021, the Company paid \$24,000 (2020 - \$Nil) to a director of the Company for consulting services.

Included in accounts payable at August 31, 2021 was \$12,246 payable to a director of the Company for reimbursement of expenses incurred on behalf of the Company. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021, bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020 (Note 4).

As at August 31, 2021, key management personnel control 35% of the shares issued and outstanding (2020 – 93%).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Company's financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Areas requiring a significant degree of estimation and judgment in the financial statements for the year ended August 31, 2021 include the recognition of deferred tax assets and inputs used by Management in the Black-Scholes model to estimate the fair value of share-based payments.

Accounting Pronouncements Not Yet Adopted

The Company has not identified any amendments which are effective for reporting periods beginning on or after September 1, 2021 that would have a material impact on the Company's consolidated financial statements.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, note receivable and accounts payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2021. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a

result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A, before making an investment decision.

No Continuing Source of Operating Revenue

The Company has no continuing source of operating revenues or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing. There is no assurance that the Company will be able to obtain sufficient financing, if at all.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

Outstanding Share Data

Our share capital consists of an unlimited number of common shares without par value. As at the date of this MD&A, we had 46,416,370 common shares issued and outstanding, 4,206,000 warrants (326,000 exercisable) and 1,675,000 (62,500 exercisable)

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedar.com.

Cliffwood Capital Corp.

Management Discussion & Analysis
For the year ended August 31, 2020

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Cliffwood Capital Corp.’s (“Cliffwood”, the “Company”, “we” or “us”) past performance and future outlook. This MD&A should be read in conjunction with our annual financial statements for the period ended August 31, 2020 (the “Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated. All information contained in this MD&A is current as of December 21, 2020 unless otherwise stated. Additional information on the Company is available on SEDAR.

Forward Looking Information

Certain sections of this MD&A may contain forward-looking statements. Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, and similar expressions used by the Company’s management are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

The forward-looking statements contained herein are based on information available as of December 21, 2020.

Our Business

The Company was incorporated under the British Columbia Business Corporations Act on September 5, 2018. On November 1, 2018, the Company signed an arrangement agreement with Vinza Capital Management Ltd. (formerly 1178408 B.C. Ltd.) (“Vinza”) and Elysian Capital Corp. (“Elysian”) whereby the parties wished to effect a reorganization transaction by way of a spin-out of the companies. The Company and Vinza became wholly owned subsidiaries of Elysian on September 5, 2018, their date of incorporation. On February 8, 2019, the Company completed the plan of arrangement pursuant to which the Company was spun out of Elysian and each shareholder received one common share of the Company for each outstanding common share of Elysian.

SELECTED ANNUAL INFORMATION

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Revenues	\$ -	\$ -
Loss and comprehensive loss	53,421	26,548
Loss per share, basic and diluted	0.01	0.02
Total assets	160,420	183,573
Total non-current financial liabilities	-	-

Results of Operations

At August 31, 2020, the Company had no continuing source of operating revenues. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

At August 31, 2020, the Company had not achieved profitable operations and had accumulated losses of \$79,969 since inception (August 31, 2019 - \$26,548).

Results of operations for the year ended August 31, 2020

For the year ended August 31, 2020, the Company reported a net and comprehensive loss of \$53,421 compared to \$26,548 for the period from September 5, 2018 to August 31, 2019, as summarized below:

	Year ended August 31, 2020	Period from September 5, 2018 to August 31, 2019
Consulting fees	\$ 30,450	\$ 15,750
Professional fees	18,988	10,149
Office and administration	3,785	97
Filing fees	1,872	519
Bank charges and interest	348	33
Interest income	(2,022)	-
Net and comprehensive loss	\$ 53,421	\$ 26,548

The increase in net loss of \$26,873 was primarily driven by an increase in consulting fees of \$14,700, professional fees of \$8,839 and office and administration of \$3,688 as a result of an increase in corporate activity, including completion of a non-brokered private placement during the year ended August 31, 2020. This was partially offset by interest income earned on a \$98,565 loan to a company with a common director, due April 30, 2021, bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020. The Company was incorporated on September 5, 2018 and did not have any results from operations for the first six months of 2019, as such results from the comparative period relate to a shorter period.

The Company does not have any employees; all of our services are carried out by our directors and officers or by consultants retained on an as needed basis.

Results of operations for the quarter ended August 31, 2020

For the three months ended August 31, 2020, the Company reported a net and comprehensive loss of \$20,308, compared to \$18,154 in the same period of 2019, as summarized below:

	Three months ended August 31, 2020	Three months ended August 31, 2019
Consulting fees	\$ 4,725	\$ 7,875
Professional fees	12,928	10,149
Office and administration	3,785	97
Bank charges and interest	85	33
Interest income	(1,215)	-
Net and comprehensive loss	\$ 20,308	\$ 18,154

The decrease in loss of \$2,154 was primarily driven by lower consulting costs and higher interest income compared to the prior period, partly offset by an increase in professional fees.

The Company incurred consulting fees during the three months ended August 31, 2020 and 2019 related to advisory and administrative services, including bookkeeping, corporate administration, and financial reporting. The Company does not have any employees; all of our services are carried out by our directors and officers or by consultants retained on an as needed basis.

The Company recognized interest income of \$1,215 on its note receivable during the three months ended August 31, 2020, compared to \$nil during the three months ended August 31, 2019.

Summary of Quarterly Results

	Aug 31, 2020	May 31, 2020	Feb 29, 2020	Nov 30, 2019	Aug 31, 2019	May 31, 2019	Feb 28, 2019	Nov 30, 2018
Revenue	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
Total comprehensive loss	\$ 20,308	\$ 14,614	\$ 12,685	\$ 5,814	\$ 18,154	\$ 8,394	\$ nil	\$ nil
Loss per share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.00	\$ 0.00
Total assets	\$ 160,420	\$ 162,440	\$ 167,189	\$ 179,289	\$ 183,573	\$ 1	\$ 1	\$ 1
Total liabilities	\$ 18,438	\$ 150	\$ 150	\$ 9,150	\$ 7,620	\$ nil	\$ nil	\$ nil

Liquidity and Capital Resources

The Company's current assets exceeded its current liabilities by \$141,982 at August 31, 2020, compared to \$175,953 at August 31, 2019. The Company had cash on hand of \$160,420 at August 31, 2020, compared to cash on hand at August 31, 2019 of \$133,573. On April 22, 2020, the Company completed a non-brokered private placement of 194,500 common shares at \$0.10 per share for gross proceeds of \$19,450.

In October 2020, the Company invested \$150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing. Subsequently, pursuant to an amalgamation agreement between American CBD and Thoughtful Brands Inc. ("TBI"), the Company received 4,820,917 shares of TBI in exchange for its shares of American CBD. The shares of TBI are subject to release restrictions of a voluntary pooling agreement. In December 2020, the Company sold 1,205,230 shares of TBI for gross proceeds of \$80,840.

The net increase in cash during the year months ended August 31, 2020 was driven by the repayment of notes receivable and proceeds from the private placement, net of cash used for corporate and administrative expenses.

The Company has no operating revenue and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of shares to finance its operating activities since inception, which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

The Company is not subject to any externally imposed capital requirements.

Commitments

The Company has no commitments.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the year ended August 31, 2020, the Company entered into the following transactions with related parties:

- Consulting fees of \$19,950 (2019 - \$5,775) paid to a company controlled by a family member of the CFO.

During the period from incorporation on September 5, 2018 to August 31, 2019, the Company entered into the following transactions with related parties:

- 2,000,000 common shares of the Company were issued to the CEO and director of the Company for proceeds of \$50,000; and
- 100,000 common shares of the Company were issued to the CFO and director of the Company for proceeds of \$2,500.

As at August 31, 2020, there is a balance of \$1,575 (2019 - \$96) payable to a company controlled by a family member of the CFO, which is included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

During the year ended August 31, 2020, the Company advanced \$98,565 to a company with a common officer, due April 30, 2021, bearing interest at 10% per annum. The note receivable, including accrued interest of \$2,022, was fully repaid in July 2020.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Company's financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The financial statements for the Company for the period ending August 31, 2020 did not include critical accounting estimates. Areas requiring a significant degree of estimation and judgment include the recognition of deferred tax assets and the Company's ability to continue as a going concern.

Accounting Pronouncements Not Yet Adopted

The Company has not adopted the following amendments which are effective for reporting periods beginning on or after September 1, 2020:

Amendments to IFRS 3, Business Combinations assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. The Company is currently evaluating the potential impact of these amendments.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, note receivable and accounts payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2020. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A, before making an investment decision.

No Operating History

The Company has not commenced commercial operations from incorporation to date. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing.

There is no assurance that the Company will be able to obtain sufficient financing, if at all.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

Outstanding Share Data

Our share capital consists of an unlimited number of common shares without par value. As at the date of this MD&A, we had 8,700,701 common shares issued and outstanding.

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedar.com.

Cliffwood Capital Corp.
(formerly 1178406 B.C. Ltd.)

Management Discussion & Analysis
For the period from incorporation on September 5, 2018 to August 31, 2019

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Cliffwood Capital Corp.’s (formerly 1178406 B.C. Ltd.) (“Cliffwood”, the “Company”, “we” or “us”) past performance and future outlook. This MD&A should be read in conjunction with our annual financial statements for the period ended August 31, 2019 (the “Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated. All information contained in this MD&A is current as of December 5, 2019 unless otherwise stated. Additional information on the Company is available on SEDAR.

Forward Looking Information

Certain sections of this MD&A may contain forward-looking statements. Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, and similar expressions used by the Company’s management are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

The forward-looking statements contained herein are based on information available as of December 5, 2019.

Our Business

The Company was incorporated under the British Columbia Business Corporations Act on September 5, 2018.

On November 1, 2018, the Company signed an arrangement agreement with 1178408 B.C. Ltd. (“1178408”) and Elysian Capital Corp. (formerly Blueprint Corporate Services Ltd.) (“Elysian”) whereby the parties wished to effect a reorganization transaction by way of a spin-out of the companies. The Company and 1178408 became wholly owned subsidiaries of Elysian on September 5, 2018, their date of incorporation.

On February 8, 2019, the Company completed the plan of arrangement pursuant to which the Company was spun out of Elysian and each shareholder received one common share of the Company for each outstanding common share of Elysian.

SELECTED ANNUAL INFORMATION

	Period from September 5, 2018 to August 31, 2019
Revenues	\$ -
Loss and comprehensive loss	26,548
Loss per share, basic and diluted	0.02
Total assets	183,573
Total non-current financial liabilities	-

Results of Operations

At August 31, 2019, the Company had no continuing source of operating revenues. The Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

At August 31, 2019, the Company had not achieved profitable operations and had accumulated losses of \$26,548 since inception.

Results of operations for the year ended August 31, 2019

For the period from September 5, 2018 to August 31, 2019, the Company reported a net loss of \$26,548 as summarized below:

Consulting fees	\$ 15,750
Professional fees	10,149
Office and administration	97
Filing fees	519
Bank charges and interest	33
<u>Net and comprehensive loss</u>	<u>\$ 26,548</u>

For the period from September 5, 2018 (date of incorporation) to August 31, 2019, the Company's primary expenses related to consulting fees and professional fees. Professional fees were incurred in relation to the Company's financial statement audit and legal expenses for general corporate matters.

The Company does not have any employees; all of our services are carried out by our directors and officers or by consultants retained on an as needed basis.

As the Company was incorporated on September 5, 2018, there is no comparative period.

Results of operations for the quarter ended August 31, 2019

For the three months ended August 31, 2019, the Company reported a net loss of \$18,154 as summarized below:

Consulting fees	\$ 7,875
Professional fees	10,149
Office and administration	97
Bank charges and interest	33
<u>Net and comprehensive loss</u>	<u>\$ 18,154</u>

For the three months ended August 31, 2019, the Company's primary expenses related to consulting fees and professional fees. Professional fees were incurred in relation to the Company's financial statement audit and legal expenses for general corporate matters.

The Company does not have any employees; all of our services are carried out by our directors and officers or by consultants retained on an as needed basis.

As the Company was incorporated on September 5, 2018, there is no comparative period.

Summary of Quarterly Results

The Company was incorporated on September 5, 2018, as such, the four most recent quarters have been presented below.

	Aug 31, 2019	May 31, 2019	Feb 28, 2019	Nov 30, 2018
Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Total comprehensive loss	\$18,154	\$8,394	\$Nil	\$Nil
Loss per share, basic and diluted	\$0.00	\$0.02	\$0.00	\$0.00

Liquidity and Capital Resources

The Company reported working capital of \$175,953 at August 31, 2019. As at August 31, 2019, the Company had cash on hand of \$133,573. Current assets excluding cash at August 31, 2019 consisted of a note receivable of \$50,000 due to be repaid on or before December 31, 2019.

The Company has no operating revenue and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of shares to finance its operating activities since inception, which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

The Company is not subject to any externally imposed capital requirements.

Commitments

The Company has no commitments.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Remuneration attributed to key management personnel includes:

- Consulting fees of \$5,775 were paid to a Company controlled by the CFO of the Company during the three months ended August 31, 2019 and for the period from incorporation to August 31, 2019.

During the period from incorporation on September 5, 2018 to August 31, 2019, the Company entered into the following transactions with related parties:

- 2,000,000 common shares of the Company were issued to the Chief Executive Officer and director of the Company for proceeds of \$50,000; and
- 100,000 common shares of the Company were issued to the Chief Financial Officer and director of the Company for proceeds of \$2,500.

At August 31, 2019, there is a balance of \$96 payable to a company controlled by the CFO of the Company, which is included in accounts payable. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Company's financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The financial statements for the Company for the period ending August 31, 2019 did not include critical accounting estimates. Areas requiring a significant degree of estimation and judgment include the recognition of deferred tax assets and the Company's ability to continue as a going concern.

Accounting Pronouncements Not Yet Adopted

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are effective for annual periods beginning on or after January 1, 2019. The Company has not applied the following new standards which have been issued but are not yet effective:

- IFRS 16, Leases (effective for reporting periods beginning on or after January 1, 2019) introduces new requirements for the classification and measurement of leases. Management does not expect IFRS 16 to have an impact on the Company's financial statements as it has no leases.
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for reporting periods beginning on or after January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. Management does not expect IFRIC 23 to have an impact on the Company's financial statements.

We do not expect the implementation of these standards to have an impact on the Company's results of operations, financial position and disclosures.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, note receivable and accounts payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and note receivable. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2019. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A, before making an investment decision.

No Operating History

The Company has not commenced commercial operations from incorporation to date. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing. There is no assurance that the Company will be able to obtain sufficient financing, if at all.

Outstanding Share Data

Our share capital consists of an unlimited number of common shares without par value. As at December 5, 2019, we had 8,506,201 common shares issued and outstanding.

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedar.com.

Schedule “E”

Management’s Discussion and Analysis of the Corporation for the Six Months Ended February 28, 2022

Hypercharge Networks Corp

(formerly Cliffwood Capital Corp.)

Management Discussion & Analysis
For the three and six months ended February 28, 2022

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Hypercharge Networks Corp.’s (“Hypercharge”, the “Company”, “we” or “us”) past performance and future outlook. This MD&A should be read in conjunction with our unaudited condensed interim consolidated financial statements for the three and six months ended February 28, 2022 (the “Financial Statements”). The preparation of financial data is in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB, including IAS 34, Interim Financial Reporting, and follows the same accounting policies and methods of application as the Company’s most recent annual financial statements.

All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated. All information contained in this MD&A is current as of April 29, 2022 unless otherwise stated. Additional information on the Company is available on SEDAR.

Forward Looking Information

Certain sections of this MD&A may contain forward-looking statements. Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, and similar expressions used by the Company’s management are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

The forward-looking statements contained herein are based on information available as of April 29, 2022.

Our Business

The Company was incorporated under the British Columbia Business Corporations Act on September 5, 2018. On March 10, 2021, the Company changed its name to Hypercharge Networks Corp from Cliffwood Capital Corp.

In June 2021, the Company commenced operations as a turnkey electric vehicle (EV) charging solutions provider, supplying seamless, simple charging experiences through industry leading equipment, strategic partnerships and acquisitions, and a robust network of public and private charging stations.

On February 28, 2021, the Company signed a Letter of Intent to enter into a transaction comprised of a business combination with Spark Charging Solutions Inc (“Spark”). On November 1, 2021 (the “Acquisition Date”), the Company acquired all the issued and outstanding shares of Spark Charging Solutions Inc. pursuant to a share exchange agreement. The consideration for the transaction consisted of: (i) issuance of 6,000,000 common shares (the “Consideration Shares”) of the Company to the vendors (issued), and (ii) up to 1,000,000 contingent shares (the “Spark Contingent Shares”) based on the following milestones: (i) 333,334 shares to be issued upon the deployment of 150 chargers by November 1, 2022; (ii) 333,334 shares to be issued upon hitting a gross revenue threshold of \$1,000,000 by November 1, 2022; and (iii) 333,334 shares to be issued upon hitting a gross revenue threshold of \$4,000,000 by November 1, 2024. The Company is also required to settle Spark’s existing outstanding debt by issuing shares or making future cash payments of \$191,546 (of which \$95,773 has been paid through November 30, 2021). The Consideration Shares will be held in escrow and released over a 36-month period after the Company is listed on a Canadian securities

exchange.

Spark supplies and installs EV charging stations across Canada; and holds Canadian distribution rights to all charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA.

On August 5, 2021, the Company entered into a collaboration agreement (Partnership) with Toronto-based parking operator, Target Park Group Inc. ("Target Park"), initially to deploy 2,500 EV charging stations across North America over the next 36 months. Starting in early 2022, the Company plans to install charging stations at Target Park's prime locations in Toronto and Montreal. Through the Partnership, the Company is poised to provide its turnkey charging solutions to the growing EV driver market across Canada and the US, furthering their mission to accelerate the adoption of EVs and support the shift towards a carbon neutral economy.

On April 22, 2022, the Company entered into a share exchange agreement with CoSource Information Technology Service Inc. ("CoSource"), a full-service digital agency specializing in digital innovation, marketing, and software product development (the "Acquisition"). Pursuant to the Agreement, the Company will acquire 100% of the issued and outstanding shares of CoSource in exchange for: (i) 3,800,000 common shares of the Company (the "Consideration Shares") and (ii) 1,500,000 performance warrants (the "Performance Warrants"), where each Performance Warrant will be exercisable into one common share of the Company (each, a "Common Share") at a price of \$0.02 per share upon the Company's achievement of certain revenue-based milestones. The Consideration Shares will be subject to voluntary resale restrictions, where 10% of the Consideration Shares will be released on the date the Common Shares are listed on a Canadian securities exchange, with the balance of the Consideration Shares being released in six (6) equal 15% installments every six (6) months thereafter.

CoSource is a full-service digital agency specializing in digital innovation, full-service marketing and software product development. CoSource has enabled many of Canada's leading companies to transform their businesses and innovate to reach more customers and open new markets. CoSource has developed an integration framework specifically for the emerging EV charging ecosystem to streamline the customer experience and simplify EV adoption.

Results of Operations

At February 28, 2022, the Company had not achieved profitable operations and had accumulated losses of \$4,463,779 since inception (August 31, 2021 - \$958,010). The Company has not paid any cash dividends on its common shares, nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

Set out below is a comparison of the results of operations for the three months ended February 28, 2022 and 2021:

	Three months ended February 28,		
	2022	2021	Change
Revenue	\$ 3,002	\$ -	\$ 3,002
Cost of goods sold	(1,237)	-	(1,237)
Gross profit	1,765	-	1,765
Operating expenses	1,077,263	16,693	1,060,570
Other expenses	120	33,657	(33,537)
Net and comprehensive loss	\$ (1,075,618)	\$ (50,350)	\$ (1,025,268)

The increase in net loss of \$1,025,268 was primarily driven by new expenditures incurred because of the commencement of its operations which include increased consulting fees, employee wages, professional fees, advertising and promotional costs and office and administration costs related to an increase in corporate activity.

Set out below is a comparison of the results of operations for the six months ended February 28, 2022 and 2021:

	Six months ended February 28,		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenue	\$ 44,302	\$ -	\$ 44,302
Cost of goods sold	(29,367)	-	(29,367)
Gross profit	14,935	-	14,935
Operating expenses	1,891,009	22,134	1,868,875
Other expenses (income)	1,879,695	(129,703)	2,009,398
Net and comprehensive (loss) income	\$ (3,755,769)	\$ 107,569	\$ (3,863,338)

The increase in net loss of \$3,863,338 was primarily driven by new expenditures incurred because of the commencement of its operations which include consulting fees, employee wages, professional fees, advertising and promotional costs and office and administration costs related to an increase in corporate activity. Further contributing to the net loss were non-cash expenses from share-based payments from performance warrants and employee stock options as well as non-cash transaction costs related to the Company's acquisition of Spark. The Company earned its first revenue during the period, and net of cost of sales, produced a gross profit which partially offset the increased expenditures during the period relative to the same period in the prior year.

Revenue

	Three months ended February 28,			Six months ended February 28,		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Equipment sales	\$ 1,702	\$ -	\$ 1,702	\$ 42,585	\$ -	\$ 42,585
Software sales	-	-	-	417	-	417
Other sales	1,300	-	1,300	1,300	-	1,300
	\$ 3,002	\$ -	<u>3,002</u>	\$ 44,302	\$ -	<u>44,302</u>

During the three and six months ended February 28, 2022, the Company began its first sales, earning revenue of \$3,002 and \$44,302, respectively. The Company's equipment sales consist of electric vehicle charging stations and ancillary products related to their operation, in addition to software sales related to the operating platform. The Company did not have sales or generate any revenue during the three and six months ended February 28, 2021.

Cost of goods sold

	Three months ended February 28,			Six months ended February 28,		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Cost of goods sold	\$ 1,237	\$ -	\$ 1,237	\$ 29,367	\$ -	\$ 29,367

During the three and six months ended February 28, 2022, the Company incurred cost of goods sold expense of \$1,237 and \$29,367, respectively, related to the cost of inventories expensed during the period, consisting of electric vehicle charging stations and ancillary products related to their operation. The Company did not have any cost of goods sold during the three and six months ended February 28, 2021.

Operating expenses

	Three months ended February 28,			Six months ended February 28,		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Consulting fees	\$ 306,846	\$ 9,330	\$ 297,516	\$ 649,569	\$ 14,155	\$ 635,414
Employee wages and benefits	259,988	-	259,988	435,824	-	435,824
Advertising and promotional	108,161	-	108,161	201,737	-	201,737
Share-based payments	162,339	-	162,339	254,854	-	254,854
Professional fees	127,039	1,490	125,549	154,442	2,024	152,418
Insurance	26,260	-	26,260	26,260	-	26,260
Office and administration	44,992	5,873	39,119	91,736	5,955	85,781
Depreciation and amortization	37,672	-	37,672	71,265	-	71,265
Shipping, freight and delivery	3,996	-	3,996	5,322	-	5,322
	<u>\$ 1,077,263</u>	<u>\$ 16,693</u>	<u>1,060,570</u>	<u>\$ 1,891,009</u>	<u>\$ 22,134</u>	<u>1,868,875</u>

The Company's operating expenses of \$1,077,263 and \$1,891,009 during the three and six months ended February 28, 2022, respectively, represent increases from the operating expenses of \$16,693 and \$22,134 incurred during the three and six months ended February 28, 2021, respectively. The Company's expenses related to consulting fees, employee wages and benefits, and advertising and promotional during the three and six months ended February 28, 2022, are attributable to the Company's launch of its sales of electric vehicle charging solutions, which resulted in its initial revenue during the period. Additionally, the Company has seen increases in office and administrative expenses because of increased general corporate activity as well as increases from share-based payments and depreciation related to share-based compensation and depreciation of the Company's newly acquired equipment, respectively.

Other expense (income), net

	Three months ended February 28,			Six months ended February 28,		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Transaction costs (recovery)	\$ (35,400)	\$ -	\$ (35,400)	\$ 1,852,468	\$ -	\$ 1,852,468
Reversal of change in fair value of contingent consideration	23,993	-	23,993	-	-	-
Foreign exchange loss	627	-	627	16,327	-	16,327
Interest expense, net	10,900	-	10,900	10,900	-	10,900
Realized loss (gain) on investment	-	76,997	(76,997)	-	(86,363)	86,363
Unrealized gain on investment	-	(43,340)	43,340	-	(43,340)	43,340
	<u>\$ 120</u>	<u>\$ 33,657</u>	<u>\$ (33,537)</u>	<u>\$ 1,879,695</u>	<u>\$ (129,703)</u>	<u>\$ 2,009,398</u>

The Company's other expenses were \$120 and \$1,879,695 during the three and six months ended

February 28, 2022, respectively, compared to other expense of \$33,657 during the three months ended February 28, 2021 and other income of \$129,703 during the six months ended February 28, 2021. Amounts during the three and six months ended February 28, 2022 were mainly the result of the Company's acquisition of Spark and The increase in this expense is primarily related to non-cash transaction costs in the form of 4,219,670 shares issued as an advisory fee in the Spark acquisition as well as the fair value of 2,000,000 contingent shares to be paid out upon meeting specific earn-out conditions in the three years subsequent to the acquisition. During the three and six months ended February 28, 2021, the Company's activity was the result of unrealized gains on the Company's investment in Thoughtful Brands along with realized gains and losses as a result of the concurrent exit from such investment.

Summary of Quarterly Results

	Feb 28, 2022	Nov 30, 2021	Aug 31, 2021	May 31, 2021	Feb 28, 2021	Nov 30, 2020	Aug 31, 2020	May 31, 2020
Revenue	\$ 3,002	\$ 41,300	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
Total comprehensive income (loss)	\$(1,075,618)	\$(2,684,707)	\$ (774,742)	\$ (210,868)	\$ (50,350)	\$ 157,919	\$ (20,308)	\$(14,614)
Earnings (Loss) per share, basic and diluted	\$ (0.02)	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ (0.01)	\$ 0.02	\$ (0.00)	\$ (0.00)
Total assets	\$ 7,526,381	\$ 8,810,636	\$ 3,268,934	\$ 2,774,290	\$ 256,434	\$ 315,020	\$ 160,420	\$ 162,440
Total liabilities	\$ 1,052,233	\$ 1,086,965	\$ 1,037,275	\$ 50,000	\$ 6,883	\$ 15,119	\$ 18,438	\$ 150

Liquidity and Capital Resources

The Company's working capital was \$4,220,873 at February 28, 2022 compared to \$2,207,492 at August 31, 2021. The Company had cash on hand of \$3,785,714 at February 28, 2022 compared to \$3,023,188 at August 31, 2021.

Cash used in operating activities for the six months ended February 28, 2022, was \$2,056,185 compared to \$33,689 during the six months ended February 28, 2021. Cash used in operating activities during the six months ended February 28, 2022, was the result of a net loss of \$3,807,969 and working capital adjustments to accounts receivable of (\$48,674), inventory of (\$494,378), prepaid expenses and other current assets of (\$391,529). Offsetting such items was non-cash adjustments of \$1,852,468 related to shares issued to the former Spark shareholders and advisors in the Spark acquisition; \$52,200 from the change in fair value of the contingent consideration to be issued upon achievement of the earn-outs; share based payments of \$254,854 related to the service period of employee stock options, performance warrants payable to a partner, and shares issued to an external consultant for services provided; depreciation of \$71,265 from the Company's equipment and right-of-use assets, working capital adjustments of \$104,995 from accounts payable and accrued liabilities; and \$350,583 from deferred revenue. During the six months ended February 28, 2021, net cash used in operating activities was the result of net income of \$107,569, adjusted for a realized gain of \$(43,340) from the sale of the Company's investment in Thoughtful Brands, an unrealized gain on the Company's investment in Thoughtful Brands of \$(86,363) and accounts payable and accrued liabilities of \$(11,555).

Cash used in investing activities for the six months ended February 28, 2022 was \$299,770, compared to \$69,160 during the six months ended February 28, 2021. Cash flows used in investing activities during the six months ended February 28, 2022, were the result of purchases of equipment of \$98,646, repayment of a note payable of \$29,126, pre-acquisition advances to Spark of \$159,601, and purchase of a term deposit of \$25,000, offset by cash assumed in the acquisition of Spark of

\$12,603. Cash used in investing activities of \$69,160 during the six months ended February 28, 2021, was the result of the purchase of the investment in Thoughtful Brands of \$150,000 and proceeds from the sales of a portion of the investment of \$80,840.

Cash provided by financing activities was \$3,118,481 during the six months ended February 28, 2022, compared to nil during the six months ended February 28, 2021. Cash provided by financing activities during the six months ended February 28, 2022, was the result of common shares issued for cash, net of costs, of \$3,164,450 offset by \$45,969 of payments in connection with the Company's lease liability for its lease of office space.

The Company has not achieved profitable operations and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of shares to finance its operating activities since inception, which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

The Company is not subject to any externally imposed capital requirements.

Commitments

As at February 28, 2022, the Company has committed to the following undiscounted minimum lease payments:

Remaining 2022	\$	68,575
2023		140,400
2024		93,600
Total	\$	<u>302,575</u>

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company measures related party transactions at the exchange amount which represents the consideration agreed upon between the Company and the related party.

In addition to cash compensation, the Company also permits participation in the Stock Option Plan. The compensation paid to key management personnel is as follows:

	Three months ended February 28		Six months ended February 28	
	2022	2021	2022	2021
Wages and benefits	\$ 62,239	\$ -	\$ 156,424	\$ -
Share-based payments	30,553	-	75,841	-
	\$ 92,792	\$ -	\$ 232,265	\$ -

On November 1, 2021, in connection with the acquisition of Spark the Company acquired a note receivable from a director of the Company totaling \$10,067. As at February 28, 2022, the balance of the note receivable of \$10,067 is unsecured, non-interest bearing and due on demand.

On November 1, 2021, in connection with the acquisition of Spark the Company assumed a note payable from an entity controlled by close family members of a director of the Company totaling \$7,749. As at February 28, 2022 the balance of the note of \$7,749 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

On November 1, 2021, in connection with the acquisition of Spark the Company assumed a note payable from an entity controlled by a Company director and a close family member totaling \$49,771. As at February 28, 2022, the balance of the note of \$49,771 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the three and six months ended February 28, 2021, the Company paid \$4,725 and \$9,450, respectively, to a Company controlled by a family member of the Company's former CFO and former director for consulting services. As at February 28, 2022 and August 31, 2021, the Company has a balance payable to this entity of nil and \$1,066 included in accounts payable. The amount was unsecured, non-interest bearing, and had no fixed terms of repayment.

Included in accounts payable and accrued liabilities at February 28, 2022 was \$39,941 payable to a directors, officers and related entities of the Company for consulting services provided to the Company (August 31, 2021 - \$12,246). The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Company's financial statements requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Areas requiring a significant degree of estimation and judgment in the financial statements for the six months ended February 28, 2022, include the recognition of deferred tax assets and inputs used by Management in the Black-Scholes model to estimate the fair value of share-based payments, probabilities and the fair value of contingent consideration, and the Company's incremental borrowing rate used in estimating the Company's lease liability.

Accounting Pronouncements Not Yet Adopted

The Company has not identified any amendments which are effective for reporting periods beginning on or after March 1, 2022, that would have a material impact on the Company's consolidated financial statements.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, term deposits, accounts receivable, note receivable, accounts payable, lease liability and contingent consideration. The fair value of these

financial instruments approximates their carrying values due to the short-term nature of these instruments. The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and accounts receivable. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. At February 28, 2022, there was one customer with amounts outstanding that exceed 10% of the Company's trade accounts receivable that totaled 88% in aggregate. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at February 28, 2022. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A, before making an investment decision.

No History of Profitable Operations

The Company has not achieved profitable operations or paid any cash dividends, and it is unlikely to produce profitable earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing. There is no assurance that the Company will be able to obtain sufficient financing, if at all.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities.

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action,

various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the war and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the war in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

On April 12, 2022 the company was notified of a civil claim filed by AddEnergie/Flo for unlawful solicitation of AddEnergie/FLO's prospective customers and business opportunities. The Company believes the claim is without merit and has a multitude of valid arguments to defend against the claim.

Outstanding Share Data

Our share capital consists of an unlimited number of common shares without par value. As at the date of this MD&A, we had 46,416,370 common shares issued and outstanding, 4,206,000 warrants (326,000 exercisable) and 2,125,000 stock options (468,750 exercisable).

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedar.com.

Schedule “F”

Board Mandate



CHARTER OF THE BOARD OF DIRECTORS

(Adopted by the Board of Directors on July 7, 2022)

I. PURPOSE

The Board of Directors (the "Board") of Hypercharge Networks Corp. ("Hypercharge") is elected by Hypercharge's shareholders to supervise the management of the business and affairs of Hypercharge.

The Board monitors the manner in which Hypercharge conducts its business as well as the senior management responsible for the day-to-day operations of Hypercharge. It approves Hypercharge's key policies, assesses their implementation by management and reviews the results.

The prime objective of the Board is to oversee the creation, enhancement and preservation of shareholder value and to ensure that Hypercharge is managed in the best interest of its shareholders as a whole while taking into account the interests of other stakeholders.

II. RESPONSIBILITIES AND POWERS

In addition to statutory responsibilities, the Board, either directly or through one of its committees, assumes responsibility for:

Appointment, Development and Compensation of Management

- Appointing the Chief Executive Officer ("CEO"), setting forth their position descriptions, as well as planning for their succession with the assistance of the Compensation and Corporate Governance Committee.
- Evaluating the performance and determining the compensation of the CEO, with the assistance of the Compensation and Corporate Governance Committee.
- Ensuring that the Board's expectations of management are understood.

Strategy and Risk

- Adopting a strategic planning process and thereafter reviewing and, where appropriate, approving, annually, a strategic plan and a budget which takes into account, among other things, the opportunities and risks of the business (all of which are developed at first by management), and monitoring Hypercharge's performance with reference to the adopted budget and strategic plan. Overseeing a process for identifying the principal risks of Hypercharge's business, ensuring the implementation of appropriate controls, measures and systems to manage these risks, and reviewing at least annually any public disclosure of risks.
- Overseeing and monitoring, directly or through one or more committees, progress in permitting, project development, government relations and relations with various stakeholders, in light of the strategic objectives and risks of the business.
- Approving unbudgeted capital expenditures, or significant divestitures, as well as acquisitions where environmental or other liabilities exist and which could result in significant exposure to Hypercharge.

Finance, Disclosure and Compliance

- Reviewing and approving major financings, capital expenditures and allocation of resources.
- Overseeing, with the assistance of the Audit Committee, internal controls, management information systems, the quality and integrity of Hypercharge's accounting and financial reporting systems, and disclosure controls and procedures.
- Reviewing and approving content of the principal communications by Hypercharge to its shareholders and the public, such as quarterly and annual financial statements and management's discussion and analysis, annual information form, information circulars, prospectuses and other similar documents which may be issued and distributed, provided that the quarterly financial statements and related management's discussion and analysis and earnings press releases and any other public disclosure document containing financial information may be reviewed and approved by the Audit Committee instead of the Board.

Governance

- Ensuring, with the assistance of the Compensation and Corporate Governance Committee, that appropriate structures and procedures are in place so that the Board and its committees can function independently of management and in accordance with sound corporate governance practices
- Discussing and developing Hypercharge's approach to corporate governance issues in general, with the involvement of the Compensation and Corporate Governance Committee.
- Conducting, with the assistance of the Compensation and Corporate Governance Committee, reviews of Board practices and the Board's and committees' performance, to ascertain that the Board, its committees and the directors are capable of carrying out and do carry out their roles effectively.
- Ensuring the adequacy and form of the compensation of non-executive directors taking into account the responsibilities and risks involved in being an effective director.
- Determining, with the assistance of the Compensation and Corporate Governance Committee, in light of the opportunities and risks facing Hypercharge, what competencies, skills and personal qualities the Board should seek in recruiting new Board members, and the appropriate size of the Board to facilitate effective decision making.
- Determining, with the Compensation and Corporate Governance Committee, the independence of each member of the Board as such term is defined by applicable laws and regulations, including rules and guidelines of stock exchanges to which Hypercharge is subject.
- Determining, with the Audit Committee, if each member of the Audit Committee is "financially literate" as such term is defined under applicable laws and regulations including rules and guidelines of stock exchanges to which Hypercharge is subject.
- Selecting, with the assistance of the Compensation and Corporate Governance Committee, nominees for election as directors.
- Selecting the Chairman of the Board if the Board believes that a Chairman will enhance the governance and functioning of the Board.
- Ensuring, with the assistance of the Compensation and Corporate Governance Committee, that new directors have a good understanding of their role and responsibilities and of the contribution expected of them (including as regards attendance at, and preparation for,

meetings), and that they are provided with adequate education and orientation as regards Hypercharge, its business and activities.

- Monitoring, directly or through one of its committees, compliance with all codes of ethics and compliance with laws.
- Considering the means by which stakeholders can communicate with the members of the Board (including independent directors).

Health, Safety, Environment and Sustainability

- Discussing and developing the Corporation's approach to the work, human and physical environments in general.
- Discussing and developing the Corporation's approach to sustainable development.

III. CHARTER

The Compensation and Corporate Governance Committee shall periodically review this Charter and recommend appropriate changes to the Board.

CERTIFICATE OF THE CORPORATION

July 20, 2022

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, Ontario, and New Brunswick.

ON BEHALF OF HYPERCHARGE INC.

(signed) "David Bibby"

David Bibby
Chief Executive Officer

(signed) "Kara James"

Kara James
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Liam Firus"

Liam Firus
Director

(signed) "Bronson Peever"

Bronson Peever
Director

CERTIFICATE OF THE PROMOTERS

July 20, 2022

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, Ontario, and New Brunswick.

ROCKBANK CAPITAL CORP.

(as Promoter)

(signed) "David Bibby"

David Bibby
Promoter

(signed) "Bronson Peever"

Bronson Peever
Director

1198349 BC LTD.

(as Promoter)

(signed) "Liam Firus"

Liam Firus
Director

NORTH KING CAPITAL INC.

(as Promoter)

(signed) "Harrison Newlands"

Harrison Newlands
Director

CERTIFICATE OF THE AGENTS

July 20, 2022

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, Ontario, and New Brunswick.

HAYWOOD SECURITIES INC.

(signed) "Sean MacGillis"

Sean MacGillis
Managing Director, Investment
Banking

RESEARCH CAPITAL CORPORATION

(signed) "Jeff Reymer"

Jeff Reymer
Managing Director, Investment
Banking

EIGHT CAPITAL

(signed) "Tony P. Loria"

Tony P. Loria
Principal, Vice Chairman,
Investment Banking

CLARUS SECURITIES INC.

(signed) "Robert Orvis"

Robert Orvis
Managing Director, Investment
Banking