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PROSPECTUS

Initial Public Offering

August 24, 2020

HIGH MOUNTAIN 2 CAPITAL CORPORATION (a capital pool company)

Minimum Offering: \$300,000 (3,000,000 Common Shares)

Maximum Offering: \$350,000 (3,500,000 Common Shares)

Price: \$0.10 per common share

The purpose of this offering (the "**Offering**") is to provide High Mountain 2 Capital Corporation (the "**Corporation**") with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as hereinafter defined). Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**"), and in the case of a Non-Arm's Length Qualifying Transaction (as hereinafter defined), must also receive Majority of the Minority Approval (as hereinafter defined) in accordance with Policy 2.4 of the Exchange Corporate Finance Manual (the "**CPC Policy**"). The Corporation is a capital pool company ("**CPC**") that has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction, the Corporation will not carry on business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "*Business of the Corporation*" and "*Use of Proceeds*".

	<u>Common Shares</u>	<u>Price to the Public</u>	<u>Agent's Commission⁽¹⁾</u>	<u>Proceeds to the Corporation⁽²⁾</u>
Per Common Share	1	\$0.10	\$0.01	\$0.09
Minimum Offering ⁽³⁾	3,000,000	\$300,000	\$30,000	\$270,000
Maximum Offering ⁽³⁾	3,500,000	\$350,000	\$35,000	\$315,000

Notes:

- (1) Pursuant to the Agency Agreement (as defined herein), the Agent has agreed to act as the agent of the Corporation in connection with the Offering, and will receive a commission (the "**Agent's Commission**") of 10% of the gross proceeds of the Offering, which will amount to \$30,000 assuming the Minimum Offering (as defined herein) is sold, or \$35,000 assuming the Maximum Offering (as defined herein) is sold. In addition, the Agent will receive a corporate finance fee of \$12,500 plus applicable taxes (the "**Corporate Finance Fee**"), and will be reimbursed for their reasonable expenses, including legal fees incurred pursuant to this Offering, estimated to be \$10,000, plus applicable taxes and disbursements. A retainer of \$12,500 has been paid to the Agent, which will be applied to the Agent's expenses with any remaining amount being returned to the Corporation upon completion of the Offering. The Agent and its designated sub-agents, if any, will also be granted the Agent's Option referred to below. See "*Plan of Distribution*".
- (2) The total costs of this issue are estimated at \$100,940.00 in the event of a Minimum Offering, and \$105,940 in the event of a Maximum Offering, which includes (i) legal and audit fees and other expenses of the Corporation estimated at \$25,000, the Commission (\$30,000 in the event of a Minimum Offering and \$35,000 in the event of a Maximum Offering), (ii) the Agent's Corporate Finance Fee in the amount of \$12,500, (iv) expenses and legal fees, estimated as being \$10,000 (without including applicable taxes and disbursements), (v) the listing fee of \$15,750 (including applicable taxes) payable to the Exchange, and (vi) estimated filing fees of \$7,690. See "*Use of Proceeds*".
- (3) A maximum of 3,500,000 Common Shares are offered hereunder. In addition, this prospectus qualifies for distribution the Agent's Option and the grant of Directors' and Officers' Options, as hereafter defined See "*Plan of Distribution*" and "*Directors' and Officers' Options*".

This Offering is being conducted on a "commercially reasonable efforts" agency basis on behalf of the Corporation by Haywood Securities Inc. (the "**Agent**") in the provinces of Alberta, Ontario and

British Columbia and is subject to the receipt by the Corporation of subscriptions for a minimum of 3,000,000 common shares (the "**Minimum Offering**") and a maximum of 3,500,000 common shares (the "**Maximum Offering**") in the capital of the Corporation (the "**Common Shares**") at a price of \$0.10 per share (the "**Offering Price**") for gross proceeds to the Corporation of between \$300,000 in the event of a Minimum Offering and \$350,000 in the event of a Maximum Offering. See "*Plan of Distribution*". The offering price of the Common Shares was arbitrarily established by the board of directors of the Corporation. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of an agency agreement between the Corporation and the Agent (the "**Agency Agreement**"). If the Minimum Offering is not completed within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by the regulatory authorities and the Agent and persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "*Plan of Distribution*".

The Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, upon completion of the Offering, non-transferable options to purchase up to 10% of the number of Common Shares sold pursuant to the Offering at a price of \$0.10 per Common Share, which may be exercised for a period of 24 months from the date of listing of the Common Shares on the Exchange (the "**Agent's Option**"). In the event of a Minimum Offering, the Agent shall receive an Agent's Option to purchase 300,000 Common Shares or in the event of a Maximum Offering, the Agent shall receive an Agent's Option to purchase 350,000 Common Shares. The Agent's Option is qualified for distribution under this prospectus. See "*Plan of Distribution*".

This prospectus also qualifies for distribution options to be granted to directors and officers of the Corporation (the "**Directors' and Officers' Options**") at the Closing. The Directors' and Officers' Options will entitle the holders to purchase an aggregate of 10% of the number of Common Shares that will be outstanding immediately after Closing, being 520,000 assuming completion of the Minimum Offering or 570,000 assuming completion of the Maximum Offering, at a price of \$0.10 per Common Share and such options may be exercised for a period of 10 years from the date of grant. See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Directors' and Officers' Options and the grant of the Agent's Option, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the Corporation's preliminary prospectus is issued by the securities commission that is designated the principal regulator for the Corporation pursuant to Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* ("**NP 11-202**") and the time the Common Shares are listed for trading on Exchange except, subject to prior acceptance of Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to a discretionary order of the applicable securities regulatory authority.

The Exchange has conditionally accepted the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

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

There is currently no market through which these securities may be sold and the purchaser may not be able to resell these securities. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues per Common Share) of approximately \$0.0212 per Common Share or 21.15% in the event of a Minimum Offering and \$0.0193 per Common Share or 19.30% in the event of a Maximum Offering. The Corporation was only recently

formed and has no active business and does not currently own any assets other than cash. Investment in the Common Shares offered by this prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development. The business objective of the Corporation is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. **Although the Corporation has commenced the process of identifying potential acquisitions, to date, the Corporation has not identified any potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic.** The Corporation has not entered into an Agreement in Principle, as hereafter defined. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required to meet such obligations. Subject to prior acceptance by the Exchange, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover the loan. Since the Corporation has not placed any geographic restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment. The Corporation will be in competition with other entities with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval. Similarly, unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares. The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the Listing Date, as hereinafter defined. The trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required. The Commissions may issue a cease trade order if the Corporation is delisted from the Exchange. In addition, delisting of the Common Shares may result in the cancellation of all or some of the Common Shares of the Corporation owned by Insiders, as hereinafter defined, issued prior to this Offering. Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction. Investors must rely solely on the expertise of the Corporation's Promoter, as hereinafter defined, directors and officers for any possible return on their investment. The Corporation's Promoter, directors, officers and Control Persons, as hereinafter defined, and their Associates, as hereinafter defined, and Affiliates, as hereinafter defined, as a group, beneficially own or control, directly or indirectly, 2,200,000 Common Shares, which represents 100% of the issued and outstanding Common Shares before giving effect to this Offering and approximately 42.31% of the issued and outstanding Common Shares after giving effect to the Minimum Offering, or 38.60% after giving effect to the Maximum Offering. The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. See "*Capitalization*", "*Dilution*", "*Business of the Corporation*", "*Directors, Officers and Promoters*", "*Use of Proceeds*", "*Conflicts of Interest*", and "*Risk Factors*".

The Agent hereby conditionally offers for sale, on a "commercially reasonable efforts" agency basis, a minimum of 3,000,000 and a maximum of 3,500,000 Common Shares without nominal or par value at a price of \$0.10 per Common Share. The Common Shares are conditionally offered, subject to

prior sale, if, as and when issued and delivered by the Corporation, and accepted in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Burstall LLP, Calgary, Alberta, on behalf of the Corporation, and by Peterson McVicar LLP, Toronto, Ontario on behalf of the Agent, of such legal matters for which approval is specifically sought by the Corporation or the Agent.

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the Offering, being 60,000 Common Shares (\$6,000) in the event of a Minimum Offering or 70,000 Common Shares (\$7,000) in the event of a Maximum Offering. In addition, the maximum number of Common Shares that may be directly or indirectly purchased pursuant to the Offering by any purchaser, together with that purchaser's Associates and Affiliates (as hereinafter defined), is 4% of the Offering, being 120,000 Common Shares (\$12,000) in the event of a Minimum Offering or 140,000 Common Shares (\$14,000) in the event of a Maximum Offering.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. It is expected that share certificates evidencing the Common Shares in definitive form will be available for delivery at the closing of the Offering unless the Agent elects for delivery in electronic book entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. If delivered in book entry form, purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased as to the number of Common Shares subscribed for.

Agent for the Offering

**Haywood Securities Inc.
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GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this prospectus.

"Affiliate" means a Company that is affiliated with another Company as described below.

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

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

A Company is "controlled" by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person; or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"Agency Agreement" has the meaning assigned thereto under the heading "Plan of Distribution".

"Agent" means Haywood Securities Inc.

"Agent's Option" means the non-transferable compensation option to be granted by the Corporation to the Agent or its designated sub-agents, if any, entitling the Agent and any sub-agents to purchase such number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering, being 300,000 Common Shares in the event of a Minimum Offering and 350,000 Common Shares in the event of a Maximum Offering, at an exercise price of \$0.10 per Common Share, and which may be exercised for a period of 24 months from Listing Date.

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

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

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;

- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction; and

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

"Associate" when used to indicate a relationship with a person or company, means:

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

but

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

"Commissions" means the Alberta Securities Commission, Ontario Securities Commission, and the British Columbia Securities Commission.

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

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

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

"Corporation" means High Mountain 2 Capital Corporation, a corporation incorporated under the *Business Corporations Act* (Alberta) having its registered office in the City of Calgary, in the Province of Alberta.

"CPC" means a corporation:

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

"CPC Filing Statement" means the disclosure document of the CPC prepared in accordance with the Exchange Form 3B2 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

"CPC Information Circular" means the information circular of the CPC prepared in accordance with applicable securities laws and the Exchange Form 3B1 which provides full, true and plain disclosure of all material facts relating to the CPC and the Target Company.

"CPC Policy" means policy 2.4 of the Exchange.

"Directors' and Officers' Options" means options to be granted at the completion of the Offering to directors and officers of the Corporation which options shall entitle the holders to purchase up to an aggregate of between 520,000 Common Shares, in the event of a Minimum Offering, and 570,000 Common Shares, in the event of a Maximum Offering, at an exercise price of \$0.10 per Common Share and which options may be exercised for a period of ten (10) years from the date of grant.

"Escrow Agreement" has the meaning assigned thereto under the heading "Escrowed Securities".

"Exchange" means the TSX Venture Exchange Inc.

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

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

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

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

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

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

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

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

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

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

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

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

"NEX" means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet tier maintenance requirements may continue to trade.

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

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

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

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

"Person" means a Company or individual.

"Principal" means:

- (a) a Person or Company who acted as a Promoter of the issuer within two years, or their respective Associates or Affiliates, before the initial public offering ("**IPO**") prospectus or the Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a **20% holder** - a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a **10% holder** - a person or company that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

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

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

"Pro Group" means:

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

"Promoter" has the meaning specified in Section 1(rr) of the *Securities Act* (Alberta).

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

"Related Party Transaction" has the meaning ascribed to that term under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions, together with the Companion Policy 61-101CP, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be

a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

"Registered Plans" has the meaning assigned thereto under the heading "Eligibility for Investment".

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

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

"Seed Shares" means the 2,200,000 Common Shares issued and outstanding prior to the Offering.

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

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

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

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

PROSPECTUS SUMMARY

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

The Corporation:	High Mountain 2 Capital Corporation (the "Corporation")															
Business of the Corporation:	The Corporation is a CPC. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations, has not identified any potential Qualifying Transactions and has no assets other than a minimum amount of cash. See " <i>Business of the Corporation</i> ".															
Offering:	The Offering consists of a Minimum Offering of 3,000,000 Common Shares for gross proceeds of \$300,000 and a Maximum Offering of 3,500,000 Common Shares for gross proceeds of \$350,000 being offered under this prospectus at a price of \$0.10 per Common Share in the provinces of Alberta, Ontario and British Columbia. In addition, pursuant to the Agency Agreement, the Corporation will also grant to the Agent, and to any sub-agents as the Agent may direct, the Agent's Option to purchase up to 10% of the aggregate number of Common Shares sold pursuant to this Offering, being 300,000 Common Shares in the event of a Minimum Offering and 350,000 Common Shares in the event of a Maximum Offering, at a price of \$0.10 per Common Share for a period of 24 months from the date of listing of the Common Shares on the Exchange. The Agent's Option is qualified under and distributed pursuant to this prospectus. The Directors' and Officers' Options to be granted to the directors and officers of the Corporation to purchase an aggregate of between 520,000 Common Shares, assuming completion of a Minimum Offering and 570,000 Common Shares, assuming Completion of a Maximum Offering, at a price of \$0.10 per Common Share for a period of ten years from the date of grant are also to be qualified under and distributed pursuant to this prospectus. See " <i>Plan of Distribution</i> " and " <i>Directors' and Officers' Options</i> ".															
Use of Proceeds:	The net proceeds to the Corporation from the Offering and prior sales of Common Shares, after the payment of all costs in respect of the Offering (including the Agent's Commission, the Corporate Finance Fee and the expenses of the Agent) are estimated to be \$307,847.50 in the event of a Minimum Offering and \$351,847.50 in the event of a Maximum Offering. The net proceeds of this Offering and proceeds from prior sales of Common Shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets and businesses with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such assets or businesses once identified and evaluated, and additional funds may be required. Until completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of: (i) 30% of the gross proceeds of the Offering and sales of Common Shares prior to the Offering; and (ii) \$210,000, may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds", "Business of the Corporation" and "Risk Factors".															
Directors and Officers	<table><tr><td>William A. Kanters</td><td>-</td><td>Director, Chief Executive Officer, President</td></tr><tr><td>Ron Love</td><td>-</td><td>Chief Financial Officer</td></tr><tr><td>V. E. Dale Burstall</td><td>-</td><td>Director and Corporate Secretary</td></tr><tr><td>Gordon Winter</td><td>-</td><td>Director</td></tr><tr><td>James W. Longshore</td><td>-</td><td>Director</td></tr></table> William A. Kanters can be considered to be a Promoter of the Corporation. See "<i>Directors, Officers, and Promoters</i>" and "<i>Promoter</i>".	William A. Kanters	-	Director, Chief Executive Officer, President	Ron Love	-	Chief Financial Officer	V. E. Dale Burstall	-	Director and Corporate Secretary	Gordon Winter	-	Director	James W. Longshore	-	Director
William A. Kanters	-	Director, Chief Executive Officer, President														
Ron Love	-	Chief Financial Officer														
V. E. Dale Burstall	-	Director and Corporate Secretary														
Gordon Winter	-	Director														
James W. Longshore	-	Director														
Escrowed Securities:	All of the currently issued and outstanding Common Shares of the Corporation, being 2,200,000 Common Shares issued at a price of \$0.05, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See " <i>Escrowed Securities</i> ".															

Risk Factors:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The Corporation was recently incorporated, has no active business and owns no business operations or assets, other than cash, has not identified a potential company, asset or business as a proposed Qualifying Transaction and has not entered into an Agreement in Principle. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. **The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment.** The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment (based on the gross proceeds of this Offering and prior issuances without deductions of selling and related expenses) of approximately 21.15% or \$0.0212 per Common Share in the event of a Minimum Offering and 19.30% or \$0.0193 per Common Share in the event of a Maximum Offering. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada. If the Corporation does not list the Common Shares on the Exchange prior to the time of closing in the manner contemplated in this prospectus under the heading "*Eligibility for Investment*", adverse tax consequences may arise with respect to any Common Shares held in Registered Plans. See "*Business of the Corporation*", "*Management and Key Personnel*", "*Directors, Officers and Promoters*", "*Use of Proceeds*", "*Risk Factors*" and "*Conflicts of Interest*".

THE CORPORATION

High Mountain 2 Capital Corporation (the "**Corporation**") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 12, 2020. On July 27, 2020, the Articles of Incorporation were amended and restated to remove the private company restrictions set forth therein.

The head office and registered and records office of the Corporation is located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

BUSINESS OF THE CORPORATION

Proposed Operations of the Corporation until Completion of a Qualifying Transaction

The Corporation has not conducted operations of any kind and does not own any assets, other than cash.

The Corporation proposes initially to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction. A Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction is also subject to the Majority of the Minority Approval of the shareholders of the Corporation in accordance with the CPC Policy. The Corporation has not conducted commercial operations.

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

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

The Corporation is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Corporation anticipates reviewing assets and businesses in a broad range of industry sectors and geographical areas.

Preliminary Expenses of the Corporation

As at the date hereof, the Corporation has paid \$5,250 (including G.S.T.) to the Exchange as part of the Corporation's initial listing fee. In addition, the Corporation has incurred expenses in the amount of \$5,250 in connection with the issuance of Common Shares prior to the Offering. Part of the net proceeds of the Offering will be utilized to satisfy the obligations of the Corporation related to this Offering, including the expenses and fees of the Agent, the Agent's Commission and Corporate Finance Fee, the expenses of the auditors, legal counsel and the Agent's legal counsel and the filing fees of the Exchange and applicable securities regulatory authorities. See "*Use of Proceeds*".

Method of Financing Qualifying Transaction

The Corporation will negotiate the terms of the Qualifying Transaction and may use cash, secured or unsecured debt, the issuance of treasury shares, a public equity or debt financing or a combination of the foregoing for the purpose of financing its proposed Qualifying Transaction. **A Qualifying**

Transaction financed by the issuance of shares from the treasury could result in a change of control of the Corporation and may cause shareholders to suffer further dilution to their investment.

Criteria for Qualifying Transactions

A Qualifying Transaction may arise in numerous ways and management has not placed geographical restrictions on potential Qualifying Transactions. The Corporation has not established pre-determined criteria for potential Qualifying Transactions, other than sound business fundamentals. Such fundamentals include, but are not limited to:

- (a) the ratio of risk to reward;
- (b) the cost effectiveness of the participation or acquisition;
- (c) the length of the payout period; and
- (d) the rate of return.

The board of directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation, and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

REGULATORY AND SHAREHOLDER APPROVAL

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

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Common Shares until the filing requirements of Exchange have been satisfied as set forth under the heading "*Regulatory and Shareholder Approval - Trading Halts, Suspension and Delisting*". Within 75 days after issuance of such news release, the Corporation is required to submit for review to the Exchange either a CPC Information Circular that complies with applicable corporate and securities laws, or a CPC Filing Statement that complies with Exchange requirements. A CPC Information Circular must be submitted where there is a Non-Arm's Length Qualifying Transaction. A CPC Filing Statement must be submitted where the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction or where shareholder approval is not otherwise required. The CPC Information Circular or CPC Filing Statement, as applicable, must contain prospectus level disclosure of the Target Company, the Corporation, and assuming Completion of the Qualifying Transaction, and must be prepared in accordance with the CPC Policy and the Exchange Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

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

Unless waived by Exchange, the Corporation will also be required to retain a Sponsor, who must be a member of Exchange, and who will be required to submit to Exchange a report prepared in

accordance with the policies of Exchange. The Corporation will no longer be considered to be a CPC upon Exchange having issued the Final Exchange Bulletin. Exchange will generally not issue the Final Exchange Bulletin until Exchange has received:

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

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

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

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

Initial Listing Requirements

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

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of Exchange have been satisfied,

which includes the submission by the Sponsor of a sponsorship acknowledgment form where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms and consent forms for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with Exchange and any preliminary background searches that Exchange considers necessary or advisable must also be completed, before the trading halt will be lifted by Exchange.

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

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

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

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

If the Corporation has not completed a Qualifying Transaction within the time frame prescribed by the CPC Policy, it may apply for listing on the NEX rather than be delisted. In order to be eligible to list on the NEX the Corporation must comply with the CPC Policy.

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of the Common Shares under the Offering will be \$300,000 in the event of a Minimum Offering and \$350,000 in the event of a Maximum Offering. Prior to the date of this prospectus, the Company issued 2,200,000 Common Shares at a price of \$0.05 per Common Share for total proceeds of \$110,000. As at June 30, 2020, the Corporation had incurred expenses and costs totaling \$5,250 with respect to the issuance of Common Shares prior to the Offering. The expenses and costs of this Offering and the prior issuances expected to be incurred will be \$100,940 assuming the Minimum Offering or \$105,940 assuming the Maximum Offering, including the Agent's Commission and the Corporate Finance Fee. The Corporation estimates that \$307,847.50 will be available to it upon completion of a Minimum Offering, or \$351,847.50 in the event of a Maximum Offering.

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

Item	Minimum Offering	Maximum Offering
Cash Proceeds raised prior to the Offering ⁽¹⁾	\$110,000	\$110,000
Expenses and costs relating to raising the cash proceeds prior to the Offering	\$5,250	\$5,250
Cash Proceeds to be raised pursuant to the Offering ⁽²⁾	\$300,000	\$350,000
Expenses and costs relating to the Offering (including costs relating to seed share issuances, listing fees, Agent's Commission, legal fees, audit fees and expenses)	\$100,940	\$105,940
Estimated funds available (on Completion of the Offering)	\$309,060	\$354,060
Estimated General and Administrative Expenses until Completion of a Qualifying Transaction ⁽⁴⁾	\$45,000	\$45,000
Funds Available for Identifying and Evaluating Assets or Business Prospects⁽³⁾	\$264,060	\$309,060

Notes:

- (1) See "*Prior Sales*".
- (2) In the event the Agent (or a sub-agent, as applicable) exercises the Agent's Option and the holders exercise the Directors' and Officers' Options, there will be available to the Corporation a maximum of an additional \$82,000 in the event of a Minimum Offering and \$92,000 in the event of a Maximum Offering which will be added to the working capital of the Corporation. There is no assurance that any of the options will be exercised. See "*Plan of Distribution*".
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire net proceeds on identifying and evaluating assets or businesses, the Corporation may use the remaining funds to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.
- (4) See "*Restrictions on Use of Proceeds*". This amount assumes that it takes the Corporation the full 24 months to identify and complete a Qualifying Transaction.

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

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

Permitted Use of Funds

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

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

- (a) valuations or appraisals;
- (b) business plans;
- (c) feasibility studies and technical assessments;
- (d) sponsorship reports;
- (e) engineering or geological reports;
- (f) financial statements, including audited financial statements;
- (g) fees for legal and accounting services; and
- (h) agent's fees, costs and commissions,

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

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

Restrictions on Use of Proceeds

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

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

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

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

Prohibited Payments to Non-Arm's Length Parties

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

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

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

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

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

PLAN OF DISTRIBUTION

Agent and Agent's Compensation

Pursuant to the Agency Agreement dated as of August 24, 2020 between the Corporation and Haywood Securities Inc. (the "**Agent**"), the Corporation has appointed the Agent as its agent to offer for sale on a "commercially reasonable efforts" agency basis to the public a minimum of 3,000,000 Common Shares and a maximum of 3,500,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In

addition, the Agency Agreement provides that the Corporation will pay the Agent a corporate finance fee of \$12,500, plus applicable taxes, and will reimburse the Agent for its expenses, including legal fees and taxes and disbursements incurred pursuant to the Offering, estimated to total \$10,000, plus applicable taxes and disbursements.

The Corporation has also agreed to grant to the Agent, and to any sub-agents as the Agent may direct, upon the completion of the Offering, the non-transferable Agent's Option to purchase up to 10% of the Common Shares sold under this Offering at a price of \$0.10 per Common Share, which may be exercised for a period of twenty four (24) months following the date of listing of the Common Shares on the Exchange. In the event of a Minimum Offering, an aggregate of 300,000 Agent's Options will be granted and in the case of a Maximum Offering, 350,000 Agent's Options will be granted. All of the Agent's Option, and the Common Shares issued upon its exercise, is qualified under this prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

Commercially Reasonable Efforts Offering

The total Offering is for a minimum of 3,000,000 Common Shares and maximum of 3,500,000 Common Shares for total gross proceeds of \$300,000 or \$350,000, respectively. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% of the total Common Shares in the Offering, being 60,000 Common Shares in the event of a Minimum Offering and 70,000 Common Shares in the event of a Maximum Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% of the total number of Common Shares under the Offering, being 120,000 in the event of a Minimum Offering and 140,000 in the event of a Maximum Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$300,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Qualified and Distributed

The Corporation proposes to grant Directors' and Officers' Options at Closing to purchase between 520,000 Common Shares assuming completion of a Minimum Offering, and 570,000 Common Shares assuming completion of a Maximum Offering, to directors and officers in accordance with the policies of the Exchange. The Common Shares to be issued upon the exercise of the Agent's Option and the Directors' and Officers' Options will be issued in addition to the Common Shares being offered pursuant to this prospectus. The Agent's Option and the Directors' and Officers' Options will be qualified for distribution under this prospectus.

Determination of Price

The Offering Price of \$0.10 per Common Share was arbitrarily established by the board of directors of the Corporation.

Listing Application

The Exchange has conditionally accepted the listing of the Common Shares. Listing is subject to the Corporation fulfilling all of the requirements of the Exchange.

Subscriptions by and Restrictions on the Agent

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

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 *"Filing Requirements and Continuous Disclosure"*. Such participants are permitted to subscribe for Common Shares pursuant to this Offering, subject to (i) compliance with any applicable client priority rule, and (ii) the restrictions applicable to all purchasers to the Offering described under *"Plan of Distribution – Commercial Reasonable Efforts Offering"*.

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

Restrictions on Trading

Other than the initial public offering of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of the Directors' and Officers' Options to the directors and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date(s) a receipt for the preliminary prospectus is issued by the securities commission that is designated the principal regulator pursuant to MI 11-102 and NP 11-202 and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF SHARE CAPITAL

General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, 2,200,000 Common Shares are issued and outstanding as fully paid and non-assessable and up to 3,500,000 Common Shares are reserved for issuance under this prospectus, a minimum of 520,000 Common Shares and a maximum of 570,000 Common Shares will be reserved for issuance upon exercise of the Directors' and Officers' Options to be granted to directors and officers of the Corporation (10% of the issued and outstanding Common Shares as at the closing of the Offering reserved under the incentive stock option plan of the Corporation), and a minimum of 300,000 Common Shares and a maximum of 350,000 Common Shares will be reserved for issuance upon exercise of the Agent's Option. See *"Directors' and Officers' Options"* and *"Plan of Distribution"*.

The Corporation is also authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") without nominal or par value, of which, as at the date hereof, none have been issued.

Common Shares

The holders of Common Shares are entitled to: (i) receive notice of and to vote at every meeting of shareholders of the Company and shall have one vote thereat for each such Common Share so held; (ii) receive such dividend as the directors may from time to time declare on the Common Shares, subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Corporation; and (iii) subject to the rights, privileges, restrictions and conditions attached to the preferred shares of the Corporation, receive the remaining property of the Corporation in the event of dissolution, liquidation or winding up of the Corporation or upon any distribution of the assets of the Corporation (other than by way of dividend out of monies properly applicable to the payment of dividends).

Preferred Shares

The Preferred Shares may be issued in one or more series, and the directors of the Corporation are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. **The preferred shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.**

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Corporation as at the dates indicated:

Capital	Authorized	Outstanding as at June 30, 2020 ⁽¹⁾⁽²⁾⁽³⁾	Outstanding as at the Date Hereof ⁽²⁾⁽³⁾	Outstanding After Giving Effect to the Minimum Offering ⁽²⁾⁽³⁾	Outstanding After Giving Effect to the Maximum Offering ⁽²⁾⁽³⁾
Common Shares	Unlimited	\$110,000 (2,200,000 Common Shares)	\$110,000 (2,200,000 Common Shares)	\$410,000 ⁽⁴⁾ (5,200,000 Common Shares)	\$460,000 ⁽⁵⁾ (5,700,000 Common Shares)
Preferred Shares	Unlimited	Nil	Nil	Nil	Nil

Notes:

- (1) As of June 30, 2020 and as of the date hereof, the Corporation had not commenced operations.
- (2) There has been no material change in the share and loan capital of the Corporation since the most recent balance sheet contained in the prospectus.
- (3) Immediately after closing this Offering, the Corporation plans to grant to officers and directors the Directors' and Officers' Options to purchase an aggregate of between 520,000 Common Shares, in the event of a Minimum Offering, and 570,000 Common Shares, in the event of a Maximum Offering, at \$0.10 per share pursuant to the Corporation's Option Plan, which options shall expire ten years from the date of grant, and will reserved an aggregate of 300,000 Common Shares in the event of a Minimum Offering or 350,000 Common Shares in the event of a Maximum Offering at \$0.10 per share pursuant to the Agent's Option that expires 24 months from the date of listing of the Common Shares. See "*Plan of Distribution*".
- (4) Funds estimated available upon completion of the Minimum Offering are expected to amount to \$309,060, which is net of the \$100,940 estimated expenses of the Offering and costs incurred in connection with issuing seed capital. See "*Use of Proceeds*".
- (5) Funds estimated available upon completion of the Maximum Offering are expected to amount to \$354,060, which is net of the \$105,940 estimated expenses of the Offering and costs incurred in connection with issuing seed capital. See "*Use of Proceeds*".

DIRECTORS' AND OFFICERS' OPTIONS

The Corporation has adopted an incentive stock option plan in accordance with the policies of Exchange (the "**Stock Option Plan**") which provides that the board of directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering. The board of directors determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of Exchange. If the holder ceases to be a director, officer, employee or consultant of the Corporation, such holder's options must also be exercised within the later of: (i) twelve (12) months after the Completion of the Qualifying Transaction; and (ii) ninety (90) days from the date of termination of employment or cessation of position with the Corporation, other than by reason of death. The price per Common Share set by the board of directors shall not be less than the last closing price of the Common Shares on Exchange prior to the date on which such option is granted, less the applicable discount permitted (if any) by Exchange. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares.

The Corporation intends to enter into stock option agreements granting the Directors' and Officer's Options concurrently with the completion of the Offering, and in any event within ninety (90) days of the issuance of a receipt for this prospectus, as follows:

Name	Number of Common Shares Under Option (Minimum Offering)	Number of Common Shares Under Option (Maximum Offering)	Exercise Price Per Common Share	Expiry Date
William A. Kanters	130,000	140,000	\$0.10	Ten years from the date of grant
Ron Love	120,000	130,000	\$0.10	Ten years from the date of grant
V. E. Dale Burstall	90,000	100,000	\$0.10	Ten years from the date of grant
Gordon Winter	90,000	100,000	\$0.10	Ten years from the date of grant
James W. Longshore	90,000	100,000	\$0.10	Ten years from the date of grant
Total	520,000	570,000		

Pursuant to the terms of the Agency Agreement, upon closing this Offering, the board of directors of the Corporation intends to grant the Agent's Option to the Agent and its designated sub-agents, if any.

Optionee	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date from Listing Date
Haywood Securities Inc.	300,000 (Minimum Offering) or 350,000 (Maximum Offering)	\$0.10	24 months

The Directors' and Officers' Options to be granted immediately after closing of this Offering and the Agent's Option are qualified for distribution under this prospectus.

Any Common Shares acquired pursuant to the exercise of the Directors' and Officers' Options prior to the Completion of the Qualifying Transaction must be deposited into escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "*Escrowed Securities*".

PRIOR SALES

Since the date of incorporation of the Corporation, the Common Shares have been issued as follows:

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price Per Common Share</u>	<u>Aggregate Issue Price</u>	<u>Nature of Consideration Received</u>
June 12, 2020	1	\$0.05	\$0.05	Cash
June 23, 2020	2,199,999	\$0.05	\$109,999.95	Cash

The 2,200,000 Common Shares issued at a price of \$0.05 per share will be held in escrow. See "*Escrowed Securities*".

ESCROWED SECURITIES

All 2,200,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share and all Common Shares that may be acquired by a Non-Arm's Length Party of the Corporation, either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Odyssey Trust Company under an escrow agreement dated as of August 24, 2020 (the "**Escrow Agreement**"). The Escrow Agreement provides that the Common Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of Exchange.

All Common Shares acquired on exercise of Directors' and Officers' Options prior to the Completion of a Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares (the "**Escrowed Shares**"), which are held in escrow pursuant to the Escrow Agreement:

<u>Name and Municipality of Residence</u>	<u>Number of Shares Held in Escrow⁽¹⁾</u>	<u>Percentage of Shares Outstanding Prior to the Offering</u>	<u>Percentage of Shares After Giving Effect to the Minimum Offering⁽¹⁾</u>	<u>Percentage of Shares After Giving Effect to the Maximum Offering⁽¹⁾</u>
Whisper Resources Inc. ⁽²⁾ Calgary, AB	600,000	27.27%	11.54%	10.53%
Lost In Space, Inc. ⁽³⁾ Calgary, AB	500,000	22.73%	9.62%	8.77%
Gordon Winter Mississauga, ON	500,000	22.73%	9.62%	8.77%

Name and Municipality of Residence	Number of Shares Held in Escrow ⁽¹⁾	Percentage of Shares Outstanding Prior to the Offering	Percentage of Shares After Giving Effect to the Minimum Offering ⁽¹⁾	Percentage of Shares After Giving Effect to the Maximum Offering ⁽¹⁾
James W. Longshore <i>Nassau, Bahamas</i>	500,000	22.73%	9.62%	8.77%
Ron Love <i>Calgary, AB</i>	100,000	4.55%	1.92%	1.75%
Total	2,200,000	100%	42.31%	38.60%

Notes:

- (1) Assuming the shareholders who are a party to the Escrow Agreement do not acquire any Common Shares pursuant to the Offering.
- (2) Whisper Resources Inc. is a company controlled by William A. Kanter.
- (3) Lost In Space, Inc. is a company controlled by V. E. Dale Burstall.

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

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

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

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

If a Final Exchange Bulletin is not issued, the Escrowed Shares will not be released. Pursuant to the Escrow Agreement, each Non-Arm's Length Party to the Corporation who holds Escrowed Shares acquired at a price below the Offering Price under this prospectus has irrevocably authorized and directed Computershare Trust Company of Canada to immediately:

- (a) cancel all of those Escrowed Shares upon the issuance by Exchange of a bulletin delisting the Common Shares; or
- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties at a discount from the Offering Price, in accordance with section 11.2(a) of the CPC Policy; or

- (ii) subject to majority shareholder approval of the Corporation, cancel an amount of Common Shares purchased by Non-Arm's Length Parties so that the average cost of the remaining Common Shares is at least equal to the Offering Price.

Escrowed Securities on Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to Exchange, or securities that are otherwise determined by Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

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

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

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

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of Exchange; or
- (b) the private placement is announced concurrently with the Agreement in Principle and:
 - (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer;

- (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period; and
- (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The only Persons who own, legally or beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares, are as follows:

Name and Municipality of Residence	Type of Ownership	Number of Shares ⁽¹⁾⁽²⁾	Percentage of Shares Owned Before Giving Effect to the Offering	Percentage of Shares Owned After Giving Effect to the Minimum Offering ⁽³⁾⁽⁴⁾	Percentage of Shares Owned After Giving Effect to the Maximum Offering ⁽³⁾⁽⁴⁾
Whisper Resources Inc. ⁽⁵⁾ <i>Calgary, AB</i>	Direct	600,000	27.27%	11.54%	10.53%
Lost In Space, Inc. ⁽⁶⁾ <i>Calgary, AB</i>	Direct	500,000	22.73%	9.62%	8.77%
Gordon Winter <i>Mississauga, ON</i>	Direct	500,000	22.73%	9.62%	8.77%
James W. Longshore <i>Nassau, Bahamas</i>	Direct	500,000	22.73%	9.62%	8.77%

Notes:

- (1) These Common Shares are all held in escrow. See "*Escrowed Securities*".
- (2) These Common Shares are owned both of record and beneficially.
- (3) Assuming the shareholders do not acquire any Common Shares pursuant to the Offering, which the shareholders have indicated they do not intend to do.
- (4) Assuming that the Agent's Option and the Directors' and Officer's Options are exercised, the following is the percentage owned or controlled (directly and indirectly) after the Offering by each of the above-named Principal Shareholders: William A. Kanter (including Common Shares owned by Whisper Resources Inc.) (12.13% in the event of a Minimum Offering and 11.18% in the event of a Maximum Offering); V.E. Dale Burstall (including Common Shares owned by Lost In Space, Inc.) (9.80% in the event of a Minimum Offering and 9.06% in the event of a Maximum Offering); Gordon Winter (9.80% in the event of a Minimum Offering and 9.06% in the event of a Maximum Offering); and James W. Longshore (9.80% in the event of a Minimum Offering and 9.06% in the event of a Maximum Offering);
- (5) Whisper Resources Inc. is a company controlled by William A. Kanter.
- (6) Lost In Space, Inc. is a company controlled by V. E. Dale Burstall.

As at the date hereof, the 2,200,000 Common Shares legally owned, directly or indirectly, or controlled by, all directors and officers as a group and their Associates and Affiliates, prior to giving effect to the Offering or the exercise of the Directors' and Officers' Options or Agent's Option, represents 100% of the issued and outstanding Common Shares. After giving effect to the Offering and assuming no exercise of Directors' and Officers' Options or Agent's Option, the directors and officers as a group and their Associates and Affiliates will own or control 2,200,000 Common Shares representing approximately 42.31% of the issued and outstanding Common Shares in the event of a Minimum Offering, or 38.60% in the event of a Maximum Offering, assuming the directors, officers and their Associates and Affiliates do not acquire any Common Shares pursuant to the Offering.

DIRECTORS, OFFICERS AND PROMOTERS

General

The following are the names and municipalities of residence of the directors and officers of the Corporation, their position and offices with the Corporation, and the number of Common Shares held by each such individual. See also "*Management and Key Personnel*".

Name, Municipality of Residence and Position	Present Occupation and Position During the Last Five Years	Number and Percentage of Common Shares owned prior to Offering ⁽²⁾	Number and Percentage of Common Shares owned after Minimum Offering ⁽³⁾⁽⁴⁾	Number and Percentage of Common Shares owned after Maximum Offering ⁽³⁾⁽⁴⁾
William A. Kanters <i>Calgary, Alberta</i> President, Chief Executive Officer and Director ⁽¹⁾	Mr. Kanters currently is a Director of Facedrive Inc. since September 2019 and President of Whisper Resources Inc., a business consultancy company since September 2014.	600,000 (27.27%)	600,000 (11.54%)	600,000 (10.53%)
Ron Love <i>Calgary, Alberta</i> Chief Financial Officer	Chief Financial Officer for Voyageur Pharmaceuticals Ltd., a TSXV listed company that is a fully integrated pharmaceutical company since February 2020 and also is currently the CFO for Get Assist Inc., a private company engaged in developing a social and business networking technology since 2018. Prior thereto, Mr. Love was Chief Financial Officer of Six Safety Systems Inc., a start-up company developing fatigue detection systems, since 2016. Prior thereto, Chief Financial Officer of Clarocity Corporation (formerly Zaiio Corporation), a technology company focused on the real estate market, operating primarily in the U.S., from 2015 to 2016. Prior thereto, Executive Vice President and Chief Financial Officer of Karnalyte Resources Inc., a start-up potash mining company, from 2010 to 2015.	100,000 (4.55%)	100,000 (1.92%)	100,000 (1.75%)
V. E. Dale Burstall <i>Calgary, Alberta</i> Director and Corporate Secretary	Partner of the law firm Burstall LLP since 1994.	500,000 (22.73%)	500,000 (9.62%)	500,000 (8.77%)
Gordon Winter <i>Mississauga, Ontario</i> Director ⁽¹⁾	Independent businessman; director of High Mountain Capital Corporation from February 2018 until September 2019.	500,000 (22.73%)	500,000 (9.62%)	500,000 (8.77%)
James W. Longshore <i>Nassau, Bahamas</i> Director ⁽¹⁾	Mr. Longshore is Director and CEO of Xtra Gold Resources Corp. a gold exploration company listed on the TSX (symbol: XTG) which is focused on defining a resource on its Kibi Gold Discovery located in the Republic of Ghana, West Africa.	500,000 (22.73%)	500,000 (9.62%)	500,000 (8.77%)

Notes:

- (1) Member of the audit committee of the Corporation, of which William A. Kanters is the chair. The Corporation does not have a compensation committee or a corporate governance committee.
- (2) These Common Shares are owned both of record and beneficially.
- (3) Assuming that no Common Shares are purchased by these Persons under the Offering.
- (4) Before giving effect to the exercise of the Agent's Option and the exercise of the Directors' and Officers' Options. The listed individuals will be granted Directors' and Officers' Options to purchase an aggregate of 520,000 Common Shares in the event of a Minimum Offering and 570,000 Common Shares in the event of a Maximum Offering. See "*Directors' and Officers' Options*".

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high management standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a "Significant Asset".

Each of the directors and officers of the Corporation will devote the time required to achieve the goal of the Corporation to complete a Qualifying Transaction. Time actually spent by the directors and officers of the Corporation will vary according to the needs of the Corporation.

Prior to this Offering, the directors and officers beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,200,000 Common Shares (100%). Subsequent to this Offering, the directors and officers will beneficially own, directly or indirectly, or have control or direction over, an aggregate of 2,200,000 Common Shares, which amounts to between 42.31% (assuming a Minimum Offering) or 38.60% (assuming a Maximum Offering) of the total Common Shares that will be issued and Outstanding after Closing of the Offering, assuming the directors and officers do not acquire any Common Shares under the Offering. In addition, following completion of the Offering, the directors and officers will collectively hold between 520,000 and 570,000 Directors' and Officers' Options.

Pursuant to the provisions of the *Business Corporations Act* (Alberta), the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of William A. Kanters, Gordon Winter and James W. Longshore. William A. Kanters is the chairman of the audit committee.

Positions with Reporting Issuers

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

Name	Name of Reporting Issuer	Name of Exchange or Market ⁽¹⁾	Position	From	To
William A. Kanters	Facedrive Inc. (formerly High Mountain Capital Corporation)	TSXV	Director	September 2019	Present
	Good2Go2 Corp.	TSXV (CPC)	Director	November 2019	Present
	High Mountain Capital Corporation	TSXV (CPC)	Director, President, Chief Executive Officer	May 2018	September 2019
	Athabasca Minerals Inc.	TSXV	Director	July 2012	July 2015
Ron Love	Voyageur Pharmaceuticals Ltd.	TSXV	Chief Financial Officer	February 2020	Present
	Composite Alliance Group Inc.	TSXV	Director	January 2019	Present

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market⁽¹⁾</u>	<u>Position</u>	<u>From</u>	<u>To</u>
	Clarocity Corporation	OTC	Chief Financial Officer	April 2015	September 2016
V.E. Dale Burstall	Karnalyte Resources Inc.	TSX	Secretary	March 2008	January 2016
	UrbanGold Minerals Inc.	TSXV	Director	February 2019	Present
	High Mountain Capital Corporation	TSXV (CPC)	Director, Secretary	May 2018	September 2019
	Southern Energy Corp.	TSXV	Director	July 2013	December 2018
	Newton Energy Corporation	TSXV-NEX	Director and Secretary	February 2013	Present
	Marksman Energy Inc.	TSXV	Director and Secretary	October 2011	Present
	Composite Alliance Group Inc.	TSXV	Director	March 2015	Present
James W. Longshore	Xtra-Gold Resources Corp.	TSX	Director and Chief Executive Officer	June 2015	Present
	Good2Go2 Corp.	TSXV (CPC)	Director	November 2011	Present
	Hempco Food and Fiber Inc.	TSXV	Director	February 2017	May 2017
Gordon Winter	High Mountain Capital Corporation	TSXV (CPC)	Director	May 2018	September 2019

Note:

- (1) TSX means the Toronto Stock Exchange, TSXV means the Exchange and CSE means the Canadian Securities Exchange.

Corporate Cease Trade Orders or Bankruptcies

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

Mr. Burstall was a director of Ranger Canyon Energy Inc. until September 27, 2011, which was cease traded by the Alberta Securities Commission on May 21, 2009 and continues to be cease traded for failure to file financial statements, management discussion and analysis and certificates of annual filings for the year ended December 31, 2008 and subsequent periods. Mr. Burstall was the Secretary of Turnkey E&P Inc., which was cease traded on December 14, 2009 by the Alberta Securities Commission for failure to file its interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended September 30, 2009. Similar orders were issued by the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Manitoba Securities Commission.

Mr. Burstall is a current director of Composite Alliance Group Inc., and has been a director of its predecessor CanAsia Financial Inc. ("**CanAsia**") since March 25, 2015. On or about May 5, 2016, the Alberta Securities Commission and other jurisdictions cease traded CanAsia for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On or about September 27, 2017, the Alberta Securities Commission and other jurisdictions revoked CanAsia's cease trade order.

On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Mr. Burstall, along with three other individuals, was appointed a director of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015.

Personal Bankruptcies

No director, insider, senior officer, executive officer or promoter of the Corporation, personal holding company of any such persons or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has within the 10 years before the date of this prospectus, as applicable, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

Other than as otherwise disclosed herein, no director, senior officer, executive officer, promoter or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has been subject to any penalties or sanctions imposed by a court or securities regulatory authority or entered into a settlement agreement relating to securities legislation, promotion or management of a publicly traded issuer, or theft or fraud or been subject to any other penalties or sanctions imposed by a court or regulating body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

On August 23, 2002, Mr. Longshore (nee or also known as James Frederick Pincock) entered into a settlement agreement with the Ontario Securities Commission (the "**Settlement Agreement**") for trading in securities without having filed a preliminary prospectus and a prospectus and without registration, thereby engaging in conduct contrary to the public interest. Under the terms and conditions of the Settlement Agreement, an order was made on August 27, 2002 stating: 1. Pincock shall cease trading in securities for a period of five years from the effective date of the Order, with the exception that after three years from the date of the Order, Pincock is permitted to trade in securities beneficially owned by him in his personal accounts in his name; 2. Pincock shall resign his position as an officer or director of any issuer in Ontario in which he holds the position of officer or director, and his position as an officer or director of any issuer in Ontario, which has an interest directly or indirectly in any registrant, in which he holds a position of officer or director, effective the date of the Order; 3. Pincock is prohibited from becoming or acting as an officer or director of any issuer in Ontario or an officer or director of any issuer which has an interest directly or indirectly in any registrant, for a period of five years effective the date of the Order; 4. Pincock is reprimanded; and 5. Pincock will make payment to the Ontario Securities Commission (the "**OSC**") in the amount of \$20,000 in respect of a portion of the costs incurred by the OSC and Staff relating to the proceeding. Mr. Longshore has complied with all of the foregoing matters set forth in the Order.

MANAGEMENT AND KEY PERSONNEL

The following is a brief description of the management and key personnel of the Corporation.

William A. Kanters

William A. Kanters, age 50, is the President, Chief Executive Officer and a Director of the Corporation.

Mr. Kanters currently is a director of Facedrive Inc., the resulting company of a Qualifying Transaction completed with High Mountain Capital Corp. where Mr. Kanters was the President, CEO and a director. He is President of Whisper Resources Inc., a business consultancy company. Prior thereto, Mr. Kanters was a director of Athabasca Minerals Inc., a TSX Venture listed mining company from July 2012 to July 2015. Mr. Kanters also served as the Vice President, Capital Markets for Lightstream Resources Ltd., a TSX listed oil and gas exploration company, from June 2011 to September 2014.

Mr. Kanters obtained his Master of Business Administration in 2004 from the Haskayne School of Business (University of Calgary) and an MSc in 1996 from the University of British Columbia.

Ron Love

Ron Love, age 57, is the Chief Financial Officer of the Corporation.

Mr. Love is a Chartered Accountant with over 27 years' experience in senior financial roles in various companies and industries. Mr. Love received his Chartered Accountant designation in 1994 after obtaining his Bachelor of Commerce degree from the University of Calgary. He has substantial experience as a Chief Financial Officer in various public companies with businesses crossing international borders. Mr. Love has guided companies through IPO's, M&A transactions, investments/divestitures, equity and debt raises and international strategic partnerships. Mr. Love has significant experience with IFRS and international accounting consolidations and reporting.

V.E. Dale Burstall

V. E. Dale Burstall, age 60, is the Corporate Secretary and a Director of the Corporation.

Mr. Burstall practices in the area of commercial law with an emphasis on securities law. Mr. Burstall's practice includes all aspects of securities law from both the perspective of an issuer or an underwriter, including initial public offerings, secondary financing, mergers and acquisitions, all dealings with regulators including stock exchanges and securities commissions, and corporate governance. He also practices in business and corporate commercial law, including shareholder agreements, and managing shareholder disputes. Mr. Burstall is a director or secretary of several issuers, both listed and private. Mr. Burstall is also a director or trustee of charitable organizations. In addition, Mr. Burstall sits on an advisory committee of the Exchange.

Gordon Winter

Gordon Winter, age 59, is a Director of the Corporation.

Mr. Winter is an independent businessman with over 20 years of experience in Canadian capital markets as an analyst and portfolio manager for Canada focused mutual funds. Additionally, he is the founder and past President of Buccaneer Gold Corp. (BGG – TSX-V).

Mr. Winter holds a Master of Business Administration degree from the Schulich School of Business, York University, and is CFA charter holder.

James W. Longshore

James W. Longshore, age 53, is a Director of the Corporation.

Mr. Longshore has more than 25 years of business and investment experience particularly in resource companies and holds a B.A. - Economics, Bowdoin College, Maine. Mr. Longshore is President, Chief Executive Officer, Chairman of the Board, and Co-founder of Xtra-Gold Resources Corp., (TSX: XTG) ("**Xtra-Gold**") <http://www.xtragold.com/> former President (2007 to 2010), and an officer, director and Managing Director of Ghanaian subsidiaries, Xtra-Gold Mining Limited and Xtra-Gold Mining Limited since 2009. Mr. Longshore oversees the administrative and exploration activities of Xtra-Gold's projects and has since June 2006. In the fiscal year ending December 2018, Xtra-Gold reported earnings per share of three cents for its shareholders.

CONFLICTS OF INTEREST

V. E. Dale Burstall, the Corporate Secretary and a director of the Corporation, is a partner with Burstall LLP, which provides legal services to the Corporation on a fee for services basis.

There are potential conflicts of interest to which the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoters are engaged and will continue to be engaged, directly or indirectly, with corporations or businesses which may be in competition with the Corporation for businesses or assets in order to complete a Qualifying Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta). See "*Interests of Directors, Officers and Others in Material Transactions*".

REMUNERATION OF DIRECTORS AND OFFICERS

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

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

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

The directors and officers will also be granted Directors' and Officers' Options at Closing, and may be granted additional stock options to purchase Common Shares following completion of the Offering, in accordance with the terms of the Option Plan. See "*Directors, Officers and Promoters*", "*Prior Sales*", "*Principal Shareholders*", and "*Directors' and Officers' Options*".

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

PROMOTER

William A. Kanters may be considered to be the promoters of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Kanters owns 600,000 Common Shares (27.27%) as of the date hereof, and will be granted between 130,000 Directors' and Officers' Options (in the event of a Minimum Offering) and 140,000 Directors' and Officers' Options (in the event of a Maximum Offering) at Closing. Mr. Kanters is also the President, Chief Executive Officer, and a Director of the Corporation. See "*Directors, Officers and Promoters*", "*Prior Sales*", "*Principal Shareholders*", and "*Directors' and Officers' Options*".

INTEREST OF DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, officers, and any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares or any known Associates or Affiliates of such Persons, in any transaction since incorporation of the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation, other than each of the directors has subscribed for Common Shares and will be granted the Directors' and Officers' Options.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares since incorporation, other than contracts in the ordinary course of business, except:

1. The Escrow Agreement among the Corporation, Odyssey Trust Company and certain shareholders of the Corporation. See "*Escrowed Securities*".
2. The Agency Agreement between the Corporation and the Agent. See "*Plan of Distribution*".
3. A registrar and transfer agency agreement dated as of July 27, 2020 between the Corporation and Odyssey Trust Company. See "*Auditors, Transfer Agent and Registrar*".

Copies of these agreements will be available for inspection at the offices of the Corporation's counsel, Burstall LLP, at Suite 1600, 333 - 7th Avenue SW, Calgary, Alberta T2P 2Z1, attention: Dale Burstall, at any time during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 21.15% or \$0.0212 per Common Share on the basis of there being 5,200,000 Common Shares issued and outstanding following completion of this Offering, in the event of a Minimum Offering, or will suffer an immediate dilution of 19.30% or \$0.0193 on the basis of there being 5,700,000 Common Shares issued and outstanding following completion of this Offering, in the event of a Maximum Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation, as set forth below:

Item	Minimum Offering (\$)	Maximum Offering (\$)
Gross proceeds of prior share issues	110,000	110,000
Gross proceeds of this Offering	300,000	350,000
Total gross proceeds after this Offering	410,000	460,000
Offering price per share	0.1000	0.1000
Proceeds per share after this Offering	0.0788	0.0807
Dilution per share to subscriber	0.0212	0.0193
Percentage of dilution in relation to offering price	21.15%	19.30%

RISK FACTORS

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The following is a list of risk factors that a prospective investor should consider before subscribing for the Common Shares.

- (a) The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. The Corporation has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.
- (b) An investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development.
- (c) The directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- (d) After completion of the Offering, an investor will suffer an immediate dilution to its investment of 21.15% or \$0.0212 per Common Share in the event of a Minimum Offering and 19.30% or \$0.0193 per Common Share in the event of a Maximum Offering.
- (e) There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares.
- (f) Until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business, other than the identification and evaluation of potential Qualifying Transactions.
- (g) The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction.

- (h) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction.
- (i) Completion of a Qualifying Transaction is subject to a number of conditions, including acceptance by Exchange and, in certain circumstances, Majority of the Minority Approval.
- (j) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders is required by CPC Policy and has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares.
- (k) Upon the public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction.
- (l) Neither Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction.
- (m) Trading in the Common Shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to Exchange in the time periods required.
- (n) Exchange will generally suspend trading in the Common Shares or delist the Corporation in the event that Exchange has not issued a Final Exchange Bulletin within (twenty four) 24 months from the date of listing of the Common Shares.
- (o) In the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.
- (p) The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation.
- (q) Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.
- (r) If the Corporation does not list the Common Shares on the Exchange prior to the time of closing in the manner contemplated in this prospectus under the heading "Eligibility for Investment", adverse tax consequences may arise with respect to any Common Shares held in Registered Plans.
- (s) The transmission of COVID-19 and efforts to contain its spread have recently resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty. The impacts of the COVID-19 crisis that may have an effect on the Corporation and

its intended Qualifying Transaction are unknown at this time but could result in material adverse consequences to the Corporation.

As a result of the above factors, the Offering is only suitable to investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares. See "Management and Key Personnel", "Directors, Officers and Promoters", "Conflicts of Interest" and "Use of Proceeds".

LEGAL PROCEEDINGS

The Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a "related issuer" or "connected issuer" of the Agent for the purposes of National Instrument 33-105 - *Underwriting Conflicts*.

RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS

The legal counsel of the Corporation is Burstall LLP, Suite 1600, 333 - 7th Avenue SW, Calgary, Alberta T2P 2Z1.

Other than V. E. Dale Burstall who owns 500,000 Common Shares, the partners and associates of Burstall LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

Legal counsel to the Agent is Peterson McVicar LLP, 390 Bay Street, Suite 806, Toronto, ON M5H 2Y2. The partners and associates of Peterson McVicar LLP do not own any Common Shares, but may subscribe for Common Shares pursuant to the Offering.

The partners and associates of MNP LLP, the auditors of the Corporation, do not own any Common Shares.

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

Other than as set forth herein: a) no Person whose profession or business gives authority to a statement made by such Person and who is named in this prospectus has received or shall receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation; and b) as at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Corporation or its Associates and Affiliates. In addition, other than as set forth above, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a Promoter of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, located at Suite 2000, 330 5 Ave, S.W., Calgary, AB T2P 0L4.

Odyssey Trust Company, through its offices at 350 – 300 5th Avenue SW, Calgary, AB T2P 3C4, is the transfer agent and registrar for the Common Shares.

ELIGIBILITY FOR INVESTMENT

In the opinion of Burstall LLP, counsel to the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, in force as of the date hereof (collectively, the "**Tax Act**"), the Common Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan, provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the Exchange) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, the holder or subscriber of, or annuitant under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Common Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Common Shares will be a prohibited investment in their particular circumstances. However, a Common Share will not be a prohibited investment for a Registered Plan if such securities are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for such Registered Plan.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Certain directors and officers of the Corporation have acquired Common Shares of the Corporation in the seed capital phase of the Corporation. In addition, each of the directors and officers of the Corporation will be granted options to purchase Common Shares pursuant to the Corporation's Option Plan. See "*Principal Shareholders*" and "*Directors' and Officers' Options*".

OTHER MATERIAL FACTS

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

DIVIDEND POLICY

To date, the Corporation has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the provinces of Alberta, Ontario and British Columbia provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the

prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS OF THE CORPORATION

(Financial statements attached)

HIGH MOUNTAIN 2 CAPITAL CORPORATION
FINANCIAL STATEMENTS
FOR THE PERIOD FROM JUNE 12, 2020 (DATE OF INCORPORATION)
TO
JUNE 30, 2020

HIGH MOUNTAIN 2 CAPITAL CORPORATION

FINANCIAL STATEMENTS

JUNE 30, 2020

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Independent Auditor's Report

To the Directors of High Mountain 2 Capital Corporation:

Opinion

We have audited the financial statements of High Mountain 2 Capital Corporation (the "Corporation"), which comprise the statement of financial position as at June 30, 2020 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from June 12, 2020 (date of incorporation) to June 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 2020, and its financial performance and its cash flows for the period from June 12, 2020 to June 30, 2020 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 Corporation 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.

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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.

Calgary, Alberta

August 24, 2020

MNP LLP

Chartered Professional Accountants

HIGH MOUNTAIN 2 CAPITAL CORPORATION
STATEMENT OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at	June 30, 2020	
	Notes	\$
ASSETS		
CURRENT		
Cash	5	105,000
Deferred financing costs	11 (b)	1,750
Subscriptions receivable	11 (a)	5,000
TOTAL ASSETS		111,750
LIABILITIES		
Accounts payable and accruals		7,000
SHAREHOLDERS' EQUITY		
Share capital	6	110,000
Deficit		(5,250)
TOTAL SHAREHOLDERS' EQUITY		104,750
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		111,750
Subsequent events	11	
APPROVED ON BEHALF OF THE BOARD OF DIRECTORS		
<u>signed "William Kanters"</u>	Director	
<u>signed "Dale Burstall"</u>	Director	

See the accompanying notes to the financial statements

HIGH MOUNTAIN 2 CAPITAL CORPORATION
Statement of Loss and Comprehensive Loss
(All Amounts are in Canadian Dollars)

For the Period from June 12, 2020 (Date of Incorporation) to June 30, 2020

EXPENSES	<u>\$</u>
Professional fees	<u>5,250</u>
NET LOSS AND COMPREHENSIVE LOSS	<u><u>5,250</u></u>
NET LOSS PER SHARE - Basic and diluted	<u><u>\$ 0.00</u></u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted (Note 6)	-

See the accompanying notes to the financial statements

HIGH MOUNTAIN 2 CAPITAL CORPORATION
STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY
(All Amounts are in Canadian Dollars)

For the Period from June 12, 2020 (Date of Incorporation) to June 30, 2020

	Share Capital	Deficit	Shareholders' Equity
Balance, June 12, 2020	\$ -	\$ -	\$ -
Issuance of common shares	110,000	-	110,000
Net loss and comprehensive loss	-	(5,250)	(5,250)
Balance, June 30, 2020	\$ 110,000	\$ (5,250)	\$ 104,750

See the accompanying notes to the financial statements

HIGH MOUNTAIN 2 CAPITAL CORPORATION
STATEMENT OF CASH FLOW
(All Amounts are in Canadian Dollars)

For the Period from June 12, 2020 (Date of Incorporation) to June 30, 2020

CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:

OPERATING

Net loss	(5,250)
Change in accounts payable and accruals	5,250

Cash flows used in operating activities	<u>-</u>
--	----------

FINANCING

Issue of common shares	\$ 110,000
Change in subscriptions receivable	(5,000)
Change in accounts payable and accruals	1,750
Change in deferred financing costs	(1,750)

Cash flows provided by financing activities	<u>105,000</u>
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Cash, beginning of period	<u>-</u>
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Cash, end of period	<u>\$ 105,000</u>
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See the accompanying notes to the financial statements

HIGH MOUNTAIN 2 CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020
(All Amounts are in Canadian Dollars)

1. Nature of Organization

Description of the Business

High Mountain 2 Capital Corporation (the "Corporation") was incorporated under the Business Corporations Act (Alberta) on June 12, 2020. The Corporation is a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Corporation will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction under the Exchange rules.

The address of the Corporation's registered office is 1600, 333 – 7th Avenue S.W., Calgary, AB T2P 2Z1.

The financial statements of the Corporation for the period from June 12, 2020 to June 30, 2020 were authorized for issuance in accordance with a resolution of the directors on August 24, 2020.

The Corporation has not commenced operations and has no assets other than cash. The Corporation's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition, business, or an interest therein. Such an acquisition or business will be subject to the approval of the Exchange, and in the case of a non-arm's length transaction, of the majority of the Corporation's minority shareholders. The Corporation is required to complete its Qualifying Transaction on or before 24 months of listing on the Exchange.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact on the Corporation.

2. Basis of Preparation

Statement of Compliance

The financial statements for the period from June 12, 2020 (date of incorporation) to June 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements are the Corporation's first financial statements prepared under IFRS and the first financial statements prepared since the date of incorporation.

Basis of Measurement

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency

3. Summary of Significant Accounting Policies

Cash

Cash consists of the proceeds from the issuance of common shares, which is being held in a lawyer's trust account.

Deferred financing costs

Financing costs related to the Corporation's proposed financing are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the financing does not close, the costs will be charged to operations.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity.

HIGH MOUNTAIN 2 CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020
(All Amounts are in Canadian Dollars)

3. Summary of Significant Accounting Policies *(continued from previous page)*

Current Tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Loss Per Share

The Corporation presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the number of common shares for the effects of dilutive options and other dilutive potential units. Diluted loss per share does not adjust the loss attributable to common shareholders on the weighted average number of common shares outstanding when the effect is antidilutive.

Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares.

Financial Instruments

Classification and measurement of financial instruments

The Corporation measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Corporation's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Corporation does not employ hedge accounting for its risk management contracts currently in place.

The Corporation classifies its accounts payable and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income or loss. The Corporation has classified its cash at FVTPL.

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3. Summary of Significant Accounting Policies *(continued from previous page)*

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Impairment of Financial Assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in operations.

Fair Value Hierarchy

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique use to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Share-based Payments

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to operations on a straight line basis over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to contributed surplus. The historical forfeiture rate is also factored into the calculations. When options are exercised, the amount received, together with the amount previously recorded in contributed surplus are added to share capital. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issuance costs with an offsetting amount recorded to contributed surplus. Fair value is measured using the Black-Scholes option pricing model.

4. Summary of Accounting Estimates and Assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

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4. Summary of Accounting Estimates and Assumptions *(continued from previous page)*

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards requires estimate as to the appropriate valuation model and the inputs for the model require assumptions including the rate of forfeiture of options granted, the expected life of the option, the Corporation's share price and its expected volatility, the risk-free interest rate and expected dividends.

Judgments

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Taxes

The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgment on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments

The Corporation is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgment as to the purpose of the financial instrument and to which category is most applicable.

5. Cash

The Corporation has \$105,000 held in trust with its lawyers. Once the Corporation has been successful in being classified as a CPC, the proceeds raised from the issuance of common shares including the funds held in trust, may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than 30% of the gross proceeds from the sale of all securities issued by the Corporation may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under Policy 2.4 of the Exchange.

6. Share Capital

The Corporation is authorized to issue an unlimited number of common shares and unlimited number of preferred shares (issuable in series) and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. One (1) common share was issued upon incorporation of the Corporation on June 12, 2020, for proceeds of \$0.05, and on June 23, 2020, the directors and officers of the Corporation subscribed for 2,099,999 common shares at a price of \$0.05 per common share for gross proceeds of \$104,999.95.

All 2,100,000 issued and outstanding common shares issued of the Corporation, and all common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, will be held in escrow pursuant to the requirements of the Exchange. These common shares, which are considered contingently issuable until the Corporation completes a qualifying transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

See note 11 common shares of the Corporation issued subsequent to June 30, 2020 to an officer of the Corporation and pursuant to the Corporation's prospectus offering.

7. Capital Risk Management

The Corporation manages its share capital as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

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7. Capital Risk Management *(continued from previous page)*

In order to maximize ongoing efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Corporation expects its current capital resources will be sufficient to carry its operations. The Corporation is not subject to any externally or internally imposed capital requirements as at June 30, 2020.

The Corporation's capital under management as at June 30, 2020 is \$110,000

8. Financial Instruments and Risk Management

Risk Management

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is equity financing, which is used to finance working capital and capital expenditure requirements, and to meet the Corporation's financial obligations associated with financial liabilities. The Corporation's trade payables and accrued liabilities generally have contracted maturities of less than 30 days and are subject to normal trade terms. As at June 30, 2020, the Corporation has a cash balance of \$105,000 to pay liabilities of \$7,000.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Corporation does not trade in financial instruments and is not exposed to significant interest rate price risk as at June 30, 2020.

Market Risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation's credit risk is on its funds held in trust with the Corporation's lawyer. Management assesses credit risk related to funds held in trust as remote as it is held with a reputable Canadian law firm.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation does not have any material transactions denominated in foreign currency and is not exposed to foreign currency risk as at June 30, 2020.

Other Price Risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk as at June 30, 2020.

Fair Values

Financial instruments include cash and accounts payable and accruals. The carrying values of these financial instruments approximate fair value due to the short term nature of financial instruments.

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9. Taxes

The tax recovery differs from the amount that would be computed by applying the expected tax rates to the loss before taxes. The reasons for the difference are as follows:

	<u>2020</u>
Loss before taxes	\$ (5,250)
Statutory tax rate	<u>26.5%</u>
Expected tax recovery	(1,390)
Share issue costs	93
Tax asset not recognized	<u>1,297</u>
Tax recovery	\$ -

The Corporation has gross timing differences for tax purposes at its respective year ends of March 31 as follows:

	<u>2020</u>
Share issue costs	\$ 1,400
Loss carry-forwards	<u>3,500</u>
Total timing differences	\$ <u>4,900</u>

The Corporation's loss carry forward balance is available to reduce future years' income taxes and, if not fully utilized, will begin to expire in fiscal 2040.

10. Related party transactions

Key management personnel consist of officers and directors of the Company. No management compensation was paid during the period ended June 30, 2020.

During the period ended June 30, 2020, legal fees of \$5,250 were provided by a law firm in which a partner is a director of the Corporation. Included in accounts payable and accruals is \$7,000 owing to this law firm.

Transactions with related parties are incurred in the normal course of business.

11. Subsequent Events

a) Capital

Subsequent to the period ended June 30, 2020, Mr. Ron Love, Chief Financial Officer contributed \$5,000 at \$0.05 per share, representing 100,000 shares of the Corporation. This amount was recorded as a subscription receivable at June 30, 2020 and was received subsequent to the period end.

b) Filing of prospectus

The Corporation intends to file a prospectus with the securities regulatory authorities in the province of Alberta, Ontario and British Columbia pursuant which the Corporation is proposing to offer a minimum of 3,000,000 common shares of the Corporation at \$0.10 per common share for gross proceeds of \$300,000 and a maximum of 3,500,000 common shares of the Corporation at \$0.10 per common share for gross proceeds of \$350,000 (the "Financing"). Costs associated with the Financing are estimated to be \$100,940 based on the minimum raised and \$105,940 for the maximum, of which \$1,750 has been incurred as at June 30, 2020 and is recorded as deferred financing costs. \$106,152

c) Agent's compensation

Pursuant to the terms of an agency agreement to be entered into between the Corporation and Haywood Securities Inc. (the "Agent"), the Corporation is proposing to grant to the Agent a non-transferable option to purchase that number of common shares equal to 10% of the aggregate number of common shares sold pursuant to this offering at a price of \$0.10 per common share. This option will be available for exercise for a period of 24 months from the date of listing of the common shares on the Exchange. In addition, the Corporation has agreed to pay to the Agent a commission equal to 10% of the gross proceeds of the offering and a corporate finance fee of \$12,500 plus applicable taxes as compensation for acting as agent. The Agent will also be reimbursed its legal and other expenses including applicable taxes and disbursements, estimated at \$10,000 before applicable taxes and disbursements.

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11. Subsequent Events *(continued from previous page)*

d) Director's and officer's options

Concurrently with the completion of the Financing, the Corporation intends to enter into stock option agreements granting between 520,000 and 570,000 stock options to directors and officers of the Corporation. Each option will be exercisable into one common share of the Corporation at a price of \$0.10 for a period of ten years from the date of grant, pursuant to the terms of the stock option plan (the "Option Plan") adopted by the Corporation in accordance with the policies of the Exchange.

CERTIFICATE OF THE CORPORATION

Dated: August 24, 2020

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the Provinces of Alberta, Ontario and British Columbia.

"William A. Kanters"

William A. Kanters
President and Chief Executive Officer

"Ron Love"

Ron Love
Chief Financial Officer

ON BEHALF OF THE BOARD

"Gordon Winter"

Gordon Winter
Director

"V. E. Dale Burstall"

V. E. Dale Burstall
Director

CERTIFICATE OF THE PROMOTER

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the Provinces of Alberta, Ontario and British Columbia.

"William A. Kanters"

William A. Kanters
Promoter

CERTIFICATE OF THE AGENT

Dated: August 24, 2020

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 the Provinces of Alberta, Ontario, and British Columbia.

HAYWOOD SECURITIES INC.

Per: "Campbell Becher"
Campbell Becher
Managing Director