

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

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

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING

DATED: July 27, 2021

**SHELLRON CAPITAL LTD.
(a capital pool company)**

Minimum of \$300,000 and up to a maximum of \$800,000
Offering: Minimum of 3,000,000 Common Shares (the “Common Shares”) and up to a
maximum of 8,000,000 Common Shares
Price: \$0.10 per Common Share

The purpose of this offering (the “**Offering**”) is to provide Shellron Capital Ltd. (the “**Issuer**”) with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction (as defined herein). The Issuer hereby offers to the public through its agent, Hampton Securities Limited (the “**Agent**”), a minimum of 3,000,000 Common Shares (the “**Minimum Offering**”) and up to a maximum of 8,000,000 Common Shares (the “**Maximum Offering**”) of the Issuer at a price of \$0.10 per Common Share. Any proposed Qualifying Transaction (as defined herein) must be approved by the TSX Venture Exchange Inc. (the “**Exchange**”), and in the case of a Non Arm’s Length Qualifying Transaction (as defined herein), must also receive Majority of the Minority Approval (as defined herein), in accordance with Exchange Policy 2.4 (the “**CPC Policy**”). The Issuer is a capital pool company (“**CPC**”). It 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 (as defined herein), as defined in the CPC Policy, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction (as defined herein). See “*Business of the Issuer*” and “*Use of Proceeds*”.

	Price to the Public ⁽¹⁾		Agent's Commission ⁽²⁾		Net Proceeds to the Issuer ⁽³⁾	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Per Common Share	\$0.10		\$0.01		\$0.09	
Offering ⁽⁴⁾	\$300,000	\$800,000	\$30,000	\$80,000	\$270,000	\$720,000
Over-Allotment Option ⁽⁵⁾	N/A	\$120,000	N/A	\$12,000	N/A	\$108,000
Total	\$300,000	\$920,000	\$30,000	\$92,000	\$270,000	\$825,000

Notes

- (1) The price per Common Share has been determined by negotiation between the Issuer and the Agent.
- (2) Pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) to be entered into between the Agent and the Company, the Company has agreed to pay to the Agent a commission (the “**Agent’s Commission**”) equal to 10.0% of the gross proceeds of the Offering, including proceeds raised on the exercise of the Over-Allotment Option (as defined below), excluding gross proceeds from the sale of Common Shares to purchasers on a president’s list (the “**President’s List**”), in respect of which the Agent’s Commission will be equal to 3.0% of the gross proceeds from such sales. The table above assumes that no purchasers in the Offering will be on the President’s List and the Agent’s Commission will consist of 10.0% of all Common Shares sold. The Agent will also be paid a non-refundable work fee of \$20,000 plus GST (the “**Work Fee**”), which has been paid. The Agent will also be reimbursed by the Issuer for the Agent’s expenses, including legal fees up to a maximum of \$20,000, incurred pursuant to the Offering. See “*Plan of Distribution*”.
- (3) Before deduction of the costs of the Offering, which are estimated to be \$89,800 (excluding the Agent’s Commission) and includes legal and audit fees and other expenses of the Issuer, the Agent’s Work Fee, the Agent’s legal fees and expenses, regulatory fees and a listing fee payable to the Exchange. See “*Use of Proceeds*”.
- (4) A minimum of 3,000,000 Common Shares and up to a maximum of 8,000,000 Common Shares are offered under this Prospectus not including the Stock Options to be granted to directors, officers and technical consultants of the Issuer and the Common Shares issuable upon exercise of the Agent’s Options and Stock Options which are also qualified for distribution under this Prospectus. See “*Plan of Distribution*”.
- (5) The Company has granted to the Agent an over-allotment option (the “**Over-Allotment Option**”), exercisable on the day which is one day following the Closing Date, to sell up to a further 15% of the Common Shares sold pursuant to the Offering, at the Offering Price. This Prospectus also qualifies the grant of the Over-Allotment Option and the issuance of the Common Shares issuable upon exercise of the Over-Allotment Option. The table presents the “*Price to the Public*”, “*Agent’s Commission*” and “*Net Proceeds to the Company*” should the Over-Allotment Option be exercised in full. Unless the context otherwise requires, when used herein, all references to the “*Offering*” include the exercise of the Over-Allotment Option, all references to “*Common Shares*” include any Common Shares issuable upon the exercise of the Over-Allotment Option.
- (6) Unless an amendment to the final prospectus is filed and the “principal regulator” under NP 11-202 (as defined herein) (the “*Securities Regulatory Authority*”) has issued a receipt for the amendment, the latest date that the distribution is to remain open is 90 days after the date of issuance of a receipt for the final prospectus by the Securities Regulatory Authority.

The Offering is not underwritten or guaranteed by any person or agent. This Offering is being conducted on a commercially reasonable efforts basis by the Agent in the provinces of British Columbia, Alberta and Ontario. The Offering is subject to a minimum subscription

of 3,000,000 Common Shares up to a maximum of 8,000,000 Common Shares for total gross proceeds to the Issuer of a minimum of \$300,000 up to a maximum of \$800,000. The offering price of the Common Shares was determined by negotiation between the Issuer and the Agent. All funds received from subscriptions for the Common Shares will be held by the Agent, pursuant to the terms of the Agency Agreement. If the Minimum Offering is not completed within 90 days of the issuance of a 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 following table sets forth the number of securities issuable to the Agent, assuming the completion of the Maximum Offering and the exercise of the Over-Allotment Option:

Agent’s Position	Maximum size or number of securities available	Exercise period or acquisition date	Exercise price or average acquisition price
Over-Allotment Option	1,200,000 Common Shares	one day from the Closing Date	\$0.10 per Common Share
Any other option granted by the Company or insider of the Company to the Agent	Nil	Nil	Nil
Total securities under option issuable to the Agent ⁽¹⁾	1,200,000 Common Shares	-	\$0.10

Market for Securities

There is no market through which the Common Shares may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “*Risk Factors*”.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS market operated by the PLUS Markets Group plc.

The Issuer has applied to list its Common Shares on the Exchange. Listing is subject to the Issuer fulfilling all of the listing requirements of the Exchange.

Other than the initial distribution of the Common Shares pursuant to this Prospectus and the grant of Stock Options (as defined herein) to the directors, officers and technical

consultants of the Issuer, trading in all securities of the Issuer is prohibited during the period between the date a receipt for this Prospectus is issued by the securities commission that is designated the principal regulator pursuant to National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and the time the Common Shares are listed for trading except, subject to the 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.

Risk Factors

INVESTMENT IN THE COMMON SHARES OFFERED BY THIS PROSPECTUS IS HIGHLY SPECULATIVE DUE TO THE NATURE OF THE ISSUER'S BUSINESS AND ITS PRESENT STAGE OF DEVELOPMENT.

The Issuer was only recently incorporated, owns no assets (other than cash) and has not conducted active business operations. The Issuer has not entered into an Agreement in Principle, as that term is defined in the CPC Policy. The Issuer has no history of earnings and has not paid any dividends as of the date hereof. It is unlikely that the Issuer will generate earnings or pay dividends in the immediate or foreseeable future.

The business objective of the Issuer is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction. There is no assurance that the Issuer will identify assets or businesses that warrant acquisition, in whole or in part. Even if assets or businesses are identified and the acquisition of the same or an interest therein is determined to be in the best interests of the Issuer, the Issuer may not be able to finance the acquisition with its existing resources and additional funds may be required to complete the transaction, and the Issuer may not be able to obtain additional financing.

There can be no assurance that the Issuer will successfully complete any Qualifying Transaction. If the Issuer issues shares from its treasury to finance an acquisition, control of the Issuer may change and purchasers of Common Shares hereunder may suffer further dilution of their investment.

The net proceeds generated from the Offering, after deducting associated costs, will be sufficient to identify and evaluate a limited number of opportunities.

The officers and directors of the Issuer are not expected to devote their full time and attention to the business and affairs of the Issuer. The Issuer may be required to compete with others in its efforts to identify suitable assets or businesses for acquisition.

The global pandemic caused by COVID-19 may result in additional expenses and delays to the Issuer, the impact of which is uncertain on the Issuer at this time.

In the event that management or directors of the Issuer reside outside of Canada or the Issuer identifies a foreign business or assets as a proposed Qualifying Transaction,

investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management or director resident outside of Canada or upon the foreign business against such persons, judgments obtained in Canadian courts.

THIS OFFERING IS SUITABLE ONLY TO THOSE INVESTORS WHO ARE PREPARED TO RISK THE LOSS OF THEIR ENTIRE INVESTMENT. See “Risk Factors”.

Maximum Investment

Pursuant to the CPC Policy, 75%, or 2,250,000 Common Shares, in the case of the Minimum Offering and 6,000,000 Common Shares, in the case of the Maximum Offering, of the total number of Common Shares offered under this Prospectus are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 60,000 Common Shares in the case of the Minimum Offering and 160,000 Common Shares in the case of the Maximum Offering, of the total number of Common Shares offered under this prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4%, or 120,000 Common Shares in the case of the Minimum Offering, and 320,000 Common Shares in the case of the Maximum Offering, of the total number of Common Shares offered under this prospectus.”

Receipt of Subscriptions

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates for the Common Shares evidencing the Common Shares in definitive form will be available for delivery on the Closing Date 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.

The Common Shares are offered by the Agent, as agent of the Issuer, on a "commercially reasonable efforts" basis, subject to prior sale, if, as and when issued and delivered by the Issuer and accepted in accordance with the conditions referred to under the heading “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Issuer by S. Paul Simpson Law Corporation, Vancouver, British Columbia, and on behalf of the Agent by Jay Vieira.

No person is authorized to provide any information or to make any representation in connection with the Offering other than as contained in this Prospectus.

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GLOSSARY OF TERMS

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

A Person beneficially owns securities that are beneficially owned by:

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

“Agency Agreement” means an agreement among the Issuer and the Agent dated ●, 2021 pursuant to which the Agent has agreed to act as the Issuer’s agent in respect of the Offering.

“Agent” means Hampton Securities Ltd.

“Agent’s Commission” means a commission of 10% of the gross proceeds of the Offering, other than in respect of gross proceeds raised from the President’s List for which the Agent will receive a commission of 3.0% of such proceeds, payable in cash by the Issuer to Agent for their assistance in completing the Offering.

“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 or 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 Issuer or the Non Arm's Length Parties to the Qualifying Transaction.

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

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

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of the Exchange's Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

"BCBCA" means the British Columbia *Business Corporations Act*, as amended from time to time.

"Common Shares" means the common shares in the authorized share structure of the Issuer.

"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 of the Final QT Exchange Bulletin issued by the Exchange.

“Computershare.” means Computershare Investor Services Inc., a trust company having an office in Vancouver, British Columbia and the Issuer’s registrar and transfer agent and escrow agent.

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

“CPC” or “Capital Pool Company” means a corporation or trust:

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

“CPC Filing Statement” means the filing statement of a CPC prepared in accordance with Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

“CPC Information Circular” means the information circular of a CPC prepared in accordance with applicable securities laws and Form 3B1 – *Information Required in an Information Circular for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

“CPC Policy” means Policy 2.4 – *Capital Pool Companies* of the Exchange.

“Disclosure Document” means the CPC Filing Statement or the CPC Information Circular, as the case may be, or the prospectus, if required by section 11.1(f) of the CPC Policy.

“Eligible Charitable Organization” means:

- (a) any ‘charitable organization’ or ‘public foundation’ which is a ‘registered charity’, but is not a ‘private foundation’, or
- (b) a ‘registered national arts services organization’

All as such terms are defined in the *Income Tax Act* (Canada), as amended from time to time.

“Escrow Agreement” means the escrow agreement dated May 12, 2021 among the Issuer, Computershare and certain security holders of the Issuer as more fully described under “Escrowed Securities”.

“Exchange” or **“TSXV”** means the TSX Venture Exchange Inc.

“Final QT Exchange Bulletin” means the bulletin issued by the Exchange following the closing of the Qualifying Transaction and the submission of all required documentation which 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.

“initial public offering” or **“IPO”** means a transaction that involves an Issuer issuing securities from its treasury pursuant to its first prospectus.

“Insider” if used in relation to an Issuer, means:

- (a) a director or senior officer of an issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of an 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 an issuer; or
- (d) an issuer itself if it holds any of its own securities.

“Issuer” means Shellron Capital Ltd., a company incorporated under the laws of the Province of British Columbia.

“Listed Shares” means a share or other security that is listed on the Exchange.

“Majority of the Minority Approval” means the approval by the majority of the votes cast at a meeting of Shareholders of the CPC, or by the written consent of Shareholders holding more than 50% of the issued Listed Shares of the CPC, provided that the votes attached to the Listed Shares of the CPC held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

- (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 (as defined in Exchange Policy 1.1):

- (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.

“Maximum Offering” means the offering and sale of up to 8,000,000 Common Shares of the Issuer, not including any issuance of Common Shares pursuant to the Over-Allotment Option.

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

“Members’ Agreement” means the members’ agreement among the Exchange and each Person, who, from time to time, is accepted as and becomes a Member of the Exchange under the Exchange requirements.

“Minimum Offering” means the offering and sale of at least 3,000,000 Common Shares of the Issuer.

“Non Arm’s Length Party” means in relation to the Issuer, (a) a Promoter, officer, director, other Insider or Control Person of the Issuer and any Associates or Affiliates of any of such Persons, or (b) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

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

“Non Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates control the CPC and the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“Offering” means the offering of Common Shares of the Issuer as more fully described under “Plan of Distribution”.

“Over-Allotment Option” means the option granted by the Issuer to the Agent for a period of one day following the Closing Date to sell up to an additional number of Common Shares equal to 15% of the Common Shares sold in the Offering on the same terms.

“Person” means a company or an individual.

“President’s List” means purchasers of Common Shares on a ‘president’s list’ as designed by the Issuer.

“Principal” means:

- (a) a Person who acted as a Promoter of the Issuer within two years before the Issuer’s initial public offering (“**IPO**”) prospectus or the date of the bulletin issued by the Exchange evidencing the final Exchange acceptance of a transaction (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 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 a Final Exchange Bulletin for non IPO transactions; and
- (d) a **10%** holder – a Person 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 a 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 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 any relatives of the Principal or spouse who 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.

“Promoter” means, if used in relation to an issuer, a Person who

- (a) acting alone or in concert with one or more other Persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or
- (b) in connection with the founding, organization or substantial reorganization of the business of the issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer's own securities or 10% or more of the proceeds from the sale of a class of the issuer's own securities of a particular issue,

but does not include a Person who

- (c) receives securities or proceeds referred to in paragraph (b) solely
 - (i) as underwriting commissions, or
 - (ii) in consideration for property, and
- (d) does not otherwise take part in founding, organizing or substantially reorganizing the business.

"Prospectus" means this preliminary prospectus dated July 27, 2021.

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

"Qualifying Transaction Agreement" means any agreement or other similar commitment respecting the Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;
- (c) the value of the Significant Assets and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction.

"Resulting Issuer" means an issuer that was formerly a CPC, which exists upon issuance of a Final QT Exchange Bulletin.

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

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

“Sponsor” has the meaning specified in Exchange *Policy 1.1 - Interpretation*.

“Stock Options” means the options to purchase an aggregate of 725,000 Common Shares, in the event of the Minimum Offering or an aggregate of 825,000 Common Shares in the event of the Maximum Offering, to be granted to the directors, officers and technical consultants of the Issuer on the date of listing of the Common Shares on the Exchange, exercisable at a price of \$0.10 per Share for a period of 5 years from the date of such grant.

“Target Company” means a company to be acquired by the Issuer as its Significant Assets pursuant to a Qualifying Transaction.

“Vendor(s)” means one or all of the beneficial owners of the Significant Assets and/or Target Company.

“Work Fee” means a work fee of \$20,000 plus GST payable to the Agent by the Issuer in connection with the Offering.

SUMMARY OF PROSPECTUS

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 Issuer

The Issuer was incorporated under the BCBCA on January 21, 2021. The Issuer is a capital pool company pursuant to the policies of the Exchange. The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. See “*Business of the Issuer*”.

The Offering

A minimum of 3,000,000 Common Shares and up to a maximum of 8,000,000 Common Shares are being offered under this Prospectus at a price of \$0.10 per Common Share in the provinces of British Columbia, Alberta and Ontario for gross proceeds of a minimum of \$300,000 and up to a maximum of \$800,000. The Issuer has granted to the Agent an option, exercisable within 1 day following the Closing Date to sell up to an additional number of Common Shares equal to 15% of the Common Shares sold pursuant to the Offering on the same terms. See “*Plan of Distribution*”

The Issuer will pay the Agent a commission of 10% of the gross proceeds of the Offering, other than in respect of gross proceeds raised from the President’s List for which the Agent will receive a commission representing 3.0% of such proceeds. The Issuer will also to the Agent a Work Fee of \$20,000 plus GST, which has been paid, and will reimburse the Agent for its expenses, including legal fees up to a maximum of \$20,000 and disbursements incurred pursuant to the Offering. See “*Plan of Distribution*”.

The Issuer also intends to grant Stock Options to purchase a total of 725,000 Common Shares upon completion of the Minimum Offering or 825,000 Common Shares upon completion of the Maximum Offering to the current directors, officers and technical consultants of the Issuer, all of which Stock Options and the Common Shares issuable upon their exercise are qualified for distribution under the Prospectus. See “*Options to Purchase Securities*”

Use of Proceeds

The net proceeds to the Issuer from the sale of the Common Shares, after deducting estimated expenses and costs relating to the Offering including listing fees, the Agent’s Commission, the Agent’s Corporate Finance Fee, the Agent’s expenses, legal fees and audit expenses, are estimated to \$179,200 under the Minimum Offering and up to \$629,200 under the Maximum Offering (not including any exercise of the Over-Allotment Option).

The net proceeds of the Offering, together with gross proceeds from the sale of Common Shares of the Issuer prior to the Offering in the amount of \$210,000, will be used to provide the Issuer with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Issuer may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. See *"Use of Proceeds"* for details of the restrictions and prohibitions on the Issuer's use of funds.

Dilution

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of 29.31% or \$0.02931 per Common Share on the basis of there being 7,250,000 Common Shares of the Issuer issued and outstanding following completion of the Minimum Offering and an immediate dilution of 17.35% or \$0.01735 per Common Share on the basis of there being 12,250,000 Common Shares of the Issuer issued and outstanding following completion of the 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 Issuer. See *"Dilution"*

Directors, Officers & Promoters

Andrew Yau - Chief Executive Officer, Chief Financial Officer, Director and Promoter

Jorge Martinez - Director and Promoter

Robert Giustra - Director and Promoter

Daniela Freitas - Corporate Secretary

Danielle Sweeting - Executive Manager

See *"Directors, Officers and Promoters"*.

Dividend Record and Policy

It is not anticipated that any dividends will be paid on the Common Shares of the Issuer in the immediate or foreseeable future. See *"Description of Securities Offered - Dividend Record and Policy"*.

Escrowed Securities

All of the issued and outstanding Common Shares of the Issuer, being 4,250,000 Common Shares, will be deposited in escrow pursuant to the terms of the Escrow Agreement, as herein defined, and will be released from escrow in stages over a period of 18 months after the date of the Final QT Exchange Bulletin. See *"Escrowed Securities"*.

Risk Factors

An investment in the Common Shares must be regarded as highly speculative due to the nature of the Issuer's proposed business and its present stage of development. The Issuer was only recently incorporated and has no active business or assets other than a minimum amount of cash. 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 Issuer and can afford to risk the loss of their entire investment. The directors and officers of the Issuer will only devote part of their time and attention to the affairs of the Issuer and there are potential conflicts of interest to which some of the directors and officers of the Issuer will be subject in connection with the operations of the Issuer. Assuming completion of the Minimum Offering, an investor will suffer an immediate dilution on investment of 29.31% or \$0.02931 per Common Share and an investor will suffer an immediate dilution of 17.35% or \$0.01735 per Common Share assuming completion of the Maximum Offering. There can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Issuer 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 Issuer has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Issuer will be able to identify or complete a suitable Qualifying Transaction.

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

CORPORATE STRUCTURE

Shellron Capital Ltd. was incorporated under the BCBCA on January 21, 2021. The head office is located at 1090 Hamilton Street, Vancouver, B.C. V6B 2R9 and registered and records office of the Issuer is located at 2080-777 Hornby Street, Vancouver, B.C., V6Z-1S4.

The Issuer does not have any subsidiaries.

BUSINESS OF THE ISSUER

Preliminary Expenses

The Issuer has raised \$212,500 through the issuance of 4,250,000 Common Shares at a price of \$0.05 per Common Share. See *"Description of Securities Offered - Share Capital"*. As of the date hereof, the Issuer has incurred or accrued preliminary expenses with respect to the incorporation and organization of the Issuer, corporate finance, legal and audit fees and expenses and the retainer for fees of legal counsel to the Agent of approximately \$33,800.

A portion of the proceeds from the Offering will be utilized to satisfy the obligations of the Issuer relating to the Offering, including fees for its auditors, legal counsel and the Agent's legal counsel and fees of the Exchange and securities commissions. See *"Use of Proceeds"*.

Proposed Operations until Completion of a Qualifying Transaction

To date, the Issuer does not own any assets, other than a minimum amount of cash, and has not entered into an Agreement in Principle.

The Issuer proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Issuer has not conducted commercial operations other than to enter into discussion for the purpose of identifying potential acquisitions or interests. The Issuer has not yet identified the particular industry sector in which it intends to pursue a Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Issuer will 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 the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under *"Use of Proceeds"*, the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

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

Method of Financing

The Issuer may use cash, bank financing, issuance of treasury shares, private or public financing of debt or equity, or a combination of these, for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issue of treasury shares could result in a change in the control of the Issuer and may cause the shareholders' interest in the Issuer to be further diluted.** See *"Use of Proceeds - Private Placements for Cash"* and *"Risk Factors"*.

Criteria for Qualifying Transactions

All potential Qualifying Transactions will initially be screened by management of the Issuer so as to evaluate the business plan of each corporation or business, which evaluation will include an analysis of the assets, the line of services or products offered, the extent of the competition in the marketplace, the market potential of the product lines or services, the market plan, existing and remaining management, production plans, financial plans and cashflow projections and capital requirements. Similar criteria will be employed in the evaluation of other assets.

Upon the favourable completion of management's analysis, management will proceed to negotiate appropriate acquisition terms with those prospective corporations, businesses or the owners of other assets and thereafter will present the proposal to the board of directors for its consideration and approval.

Any proposed Qualifying Transaction must be approved by the Issuer's board of directors. 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 Issuer and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The board of directors, in considering whether to approve the terms of an acquisition, is expected to consider, among other criteria, the following:

- (a) the projected rate of return on the proposed investment and the risk of loss;
- (b) the prospects for growth, having regard to existing or potential market share;
- (c) the skill of the management team, either as it exists or as it may be supplemented as a consequence of the acquisition; and

- (d) basic financial considerations including the overall cost of the acquisition and the prospects of obtaining the debt or equity financing necessary to complete the acquisition.

REGULATORY AND SHAREHOLDER APPROVAL

Filings and Shareholders Approval of a Qualifying Transaction

Upon the Issuer reaching a Qualifying Transaction Agreement, the Issuer must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Issuer's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "*Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Issuer shall be required to submit for review to the Exchange a Disclosure Document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Issuer, assuming Completion of the Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Issuer must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange will not require the Issuer to obtain Shareholder approval of the Qualifying Transaction provided that it files the CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents have been accepted for filing, the Exchange will advise the Issuer that it is cleared to file the final Disclosure Document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, the Issuer must file the final CPC Filing Statement or Prospectus on SEDAR at least seven business days prior to:
 - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Issuer are halted from trading; or
 - (ii) the Completion of the Qualifying Transaction, if the securities of the Issuer are not halted from trading;
- (b) where Shareholder approval is required and is to be obtained at a meeting of Shareholders, the Issuer will file on SEDAR and mail to its Shareholders the notice of meeting, CPC Information Circular and form of proxy, together with any other required documents; and
- (c) where Shareholder approval is required and is to be obtained by written consent, the Issuer will file on SEDAR the final Disclosure Document.

If required by the Exchange, the Issuer will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who

will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Issuer will no longer be considered to be a CPC upon the Exchange having issued the Final QT Exchange Bulletin. The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (i) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

Initial Listing Requirements

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

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Issuer's Common Shares from the date of the public announcement of a Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied. If the Qualifying Transaction is subject to sponsorship, the submission to the Exchange is required to include a Sponsorship Acknowledgment Form pursuant to the CPC Policy, which form is to be submitted to the Exchange in connection with the execution of a sponsorship agreement between a sponsor and the Issuer. In addition, Personal Information Forms, or, if applicable, Declarations, for all individuals who may be directors, senior officers, Promoters, or Insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange. **See "Refusal of Qualifying Transaction" and "Filings and Shareholders Approval of a Non Arm's Length Qualifying Transaction".**

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

- (a) the unacceptable nature of the business of the Resulting Issuer, or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, Completion of the Qualifying Transaction, are so

significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Issuer fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Qualifying Transaction Agreement or if the Issuer 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.

In the event that the Issuer's Common Shares are delisted by the Exchange, within 90 days from the date of such delisting, the Issuer 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 Issuer determine to deal with the remaining assets in some other manner.

Refusal of Qualifying Transaction

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

- (a) the Resulting Issuer fails to satisfy the applicable Initial Listing Requirements of the Exchange;
- (b) the Resulting Issuer will be a mutual fund, as defined in the securities legislation;
or
- (c) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds received by the Issuer from the sale of Common Shares prior to the date of this Prospectus totaled \$212,500. These proceeds were raised by the issuance of 4,250,000 Common Shares at a subscription price of \$0.05 per Common Share. The Issuer incurred expenses of \$2,500 in connection with raising these proceeds.

The gross proceeds to be received by the Issuer from the Offering will be \$300,000 in the event of the Minimum Offering being completed and \$800,000 in the event of the Maximum Offering being completed. The costs incurred with respect to the proceeds raised from the Offering, including legal, accounting, printing and regulatory fees, the Agent's legal fees and expenses, the Agent's Commission and the Work Fee, are estimated by the Issuer to be approximately \$120,800 if the Minimum Offering is completed and up to \$170,800 if the Maximum offering is completed. Following deduction of those expenses, the Issuer estimates that it will have a total of \$389,200 available from the prior sale of its Common Shares and from the sale of Common Shares following completion of the Minimum Offering and a total of \$839,200 available from the prior sale of its Common

Shares and from the sale of Common Shares following completion of the Maximum Offering.

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

	Minimum Offering	Maximum Offering
(a) Gross cash proceeds received by the Issuer from the sale of Common Shares prior to the Offering ⁽¹⁾	\$212,500	\$212,500
(b) Less: Expenses and costs relating to raising the cash proceeds referred to in (a) above	\$2,500	\$2,500
(c) Plus: Gross cash proceeds to be raised by the Issuer from the sale of Common Shares distributed pursuant to the Offering ⁽²⁾	\$300,000	\$800,000
(d) Less: Expenses and costs relating to the Offering, including listing fees, Agent's Commission, Work Fee, legal fees and expenses, and the Issuer's legal fees and audit expenses) referred to in (c) above, incurred to date and expected to be incurred ⁽³⁾	<u>(\$120,800)</u>	<u>(\$170,800)</u>
(e) Total estimated funds to be available to the Issuer on completion of the Offering	<u>\$389,200</u>	<u>\$839,200</u>
Funds available for identifying and evaluating assets or business prospects ⁽⁴⁾	\$389,200	\$839,200
Estimated general and administrative expenses until Completion of the Qualifying Transaction	<u>\$24,000</u>	<u>\$24,000</u>
Total Net Proceeds	<u>\$365,300</u>	<u>\$815,200</u>

Notes:

(1) See "Prior Sales".

(2) In the event the directors, officers and technical consultants exercise their Stock Options, there will be available to the Issuer a maximum of an additional \$72,500, assuming completion of the Minimum Offering and \$82,500, assuming completion of the Maximum Offering which will be added to the working capital of the Issuer. There is no assurance that any of these Stock Options will be exercised. See "Options to Purchase Securities".

- (3) Approximately \$20,000 has been incurred to date, which includes the payment of the Work fee. Assumes no sales to the President's List.
- (4) In the event that the Issuer enters into a Qualifying Transaction Agreement prior to spending the entire estimated funds to be available to the Issuer on completion of the Offering on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partly finance the acquisition of, or participation in, the Significant Assets or for working capital after Completion of the Qualifying Transaction.

If the Over-Allotment Option is exercised in full, which requires the completion of the Maximum Offering, the Company will receive additional net proceeds of \$108,000, after deducting the Agent's Commission, assuming no purchasers are on the President's List, but before deducting the other expenses of the Offering. Should the Over-Allotment Option be exercised in whole or in part, the net proceeds from such exercise, if any, are expected to be used for identifying and evaluating assets or business prospects.

Until required for the Issuer's purposes, the proceeds from this Offering and the prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

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

Permitted Use of Funds

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

- (a) reasonable expenses relating to the Issuer's IPO, including:
 - (i) fees for legal services and audit services relating to the preparation and filing of this prospectus;
 - (ii) Agent's fees, costs and commissions; and
 - (iii) printing costs, including printing of this prospectus and share certificates;
- (b) reasonable general and administrative expenses of the Issuer (not exceeding in aggregate \$3,000 per month), including:
 - (i) office supplies, office rent and related utilities;

- (ii) equipment leases;
 - (iii) fees for legal services; and
 - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
- (i) valuations or appraisals;
 - (ii) business plans;
 - (iii) feasibility studies and technical assessments;
 - (iv) sponsorship reports;
 - (v) Geological Reports;
 - (vi) financial statements;
 - (vii) fees for legal services; and
 - (viii) fees for accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
- (e) assurance and audit fees of the Issuer;
- (f) escrow agent and transfer agent fees of the Issuer; and
- (g) regulatory filing fees of the Issuer.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the Exchange. Any proposed deposit, advance or loan of funds from the Issuer to the Target Company or a Vendor(s) in excess of such \$25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the Exchange where all of the following conditions are satisfied:

- (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (ii) the Qualifying Transaction has been announced in a comprehensive news release;
- (iii) due diligence with respect to the Qualifying Transaction is well underway;
- (iv) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (v) the loan has been announced in a new release at least 15 days prior to the date of any such loan; and

- (vi) the total amount of all deposits, advances and loans from the Issuer does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Issuer to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Issuer.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "*Options to Purchase Securities*", "*Permitted Use of Funds*" and "*Finder's Fees*", the Issuer has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Issuer or to a Non-Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, promotional or market-making services in respect of the Issuer or the securities of the Issuer or any Resulting Issuer, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy), loans, advances and bonuses, and
- (b) deposits and similar payments.

Further, no such payment will be made by the Issuer or by any other Person after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Notwithstanding the above, the Issuer may pay or reimburse a Non-Arm's Length Party to the Issuer for reasonable general and administrative expenses of the Issuer (including office supplies, office rent and related utilities, equipment leases, fees for legal services and fees for accounting and advisory services) not exceeding in aggregate \$3,000 per month, and for fees for legal services relating to a proposed Qualifying Transaction, and the Issuer may also reimburse a Non-Arm's Length Party to the Issuer for reasonable out-of-pocket expenses incurred in pursuing the business of the Issuer described in "*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.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Issuer will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Issuer 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 \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and Agent's Options. Subject to certain limited

exceptions, any Common Shares issued pursuant to the private placement to Non Arm's Length Parties to the Issuer and to Principals of the Resulting Issuer will be subject to escrow.

Finder's Fees

Upon Completion of the Qualifying Transaction, the Issuer and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – Loans, Loan Bonuses, Finder's Fees and Commissions:

- (a) to a Person that is not a Non-Arm's Length Party to the Issuer; and
- (b) to a Non-Arm's Length Party to the Issuer, provided that:
 - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
 - (ii) the Qualifying Transaction is not a transaction between the Issuer and an existing public company;
 - (iii) the finder's fee is payable in the form of cash, Listed Shares and/or Warrants only;
 - (iv) the amount of any Concurrent Financing is not included in the value of the measurable benefit used to calculate the finder's fee; and
 - (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders of the Issuer or by the written consent of Shareholders of the Issuer holding more than 50% of the issued Listed Shares of the Issuer, provided that the votes attached to the Listed Shares of the Issuer held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

Agency Agreement and Agent's Compensation

Pursuant to the Agency Agreement, the Issuer appointed the Agent as its agent to offer for sale to the public on a commercially reasonable efforts basis, a minimum of 3,000,000 Common Shares and up to a maximum of 8,000,000 Common Shares, as provided in this Prospectus, at a price of \$0.10 per Common Share, in the provinces of British Columbia, Alberta and Ontario for gross proceeds to the Issuer of a minimum of \$300,000 and up to a maximum of \$800,000, subject to the terms and conditions of the Agency Agreement.

In addition, the Agent has been granted the Over-Allotment Option exercisable, in whole or in part, at any time on or before the date which is one day following the Closing Date, to sell up to an additional 15% of the Common Shares sold pursuant to the Offering at the Offering Price. The Over-Allotment Option is exercisable by the Agent giving notice in writing to the Company prior to the expiry of the Over-Allotment Option, which notice shall specify the number of Common Shares to be sold. This Prospectus qualifies the grant

of the Over-Allotment Option and the issuance of the Common Shares issuable upon exercise of the Over-Allotment Option

Under the terms of the Agency Agreement, the Issuer has agreed to pay to the Agent the Agent's Commission, being 10% of the aggregate gross proceeds from the sale of the Common Shares pursuant to the Offering, other than the gross proceeds raised from purchaser's on the President's List for which the commission shall be 3% of the proceeds raised payable in cash by the Issuer to the Agent. The Issuer has also agreed to pay to the Agent a Work Fee of \$20,000 plus GST, which has been paid. The Issuer has also agreed to reimburse the Agent for its reasonable expenses, including legal costs to a maximum of \$20,000.

In addition, the Issuer has granted to the Agent a right of first refusal to act as underwriter, advisor or sponsor in any proposed merger or acquisition, debt or equity (or convertible security) financing transaction or any going public transaction (whether by initial public offering, reverse takeover, merger, plan of arrangement, for a period of 12 months following the closing date of the Offering.

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Issuer and may make co-brokerage arrangements with other investment dealers at no additional cost to the Issuer. 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.

In the event that the Offering is not completed, and with the twelve (12) month period following the termination of the Agency Agreement, the Issuer issues any debt or equity financing transaction (or any convertible securities) or arranges for the sale of any debt or equity securities (or any convertible securities) or gains access to any credit facility, for which were introduced by the Agent to the Issuer, or to any party introduced by the Agent to the Issuer during the term of the Agency Agreement, then the Issuer shall pay to the Agent promptly, a commission equal to the percentage rate of the Agent's Commission (and any applicable GST or HST in respect thereof) in respect of proceeds arising from such transactions.

In the event that the Offering is not completed for any reason other than as a result of (i) the non-performance or breach by the Agent of its obligations or (ii) the breach, repudiation or termination of the Agency Agreement by the Agent for reasons other than due to non-performance or breach by the Issuer, and an 'alternative transaction' is entered into or announced by the Issuer or any of its shareholders prior to August 1, 2021, the Company is obligated to pay to the Agent promptly upon the closing of such alternative transaction, a one time fee equal to the maximum amount of fees payable under the Agency Agreement calculated as if the Offering had been completed and assuming an Offering size of no greater than \$200,000. An 'alternative transaction' constitutes for this purpose, one of a series of transactions involving, (i) the issuance of agreement to issue securities of the Issuer or any of its affiliates to parties other than (A) upon the exercise of convertible securities, options or warrants of the Issuer currently outstanding, (B)

pursuant to existing contractual agreements, (C) the issuance of stock options granted from time to time, (D) parties who are current shareholders of the Issuer); or (ii) a material transaction involving the Issuer and accepted in lieu of the Offering, involving without limitation (A) a merger, amalgamation, arrangement, take-over bid, reorganization, initial public offering or other similar transaction that results in more than a 25% interest in the business, assets or equity of the Issuer being directly or indirectly sold or transferred, or agreed to be sold or transferred to another party, or (B) the sale or exchange of all or substantially all of the business or assets of the Issuer. No payment is required to be made in connection with the completion of an alternative transaction in the event of the termination of the Agency Agreement by the Issuer as a result of a breach by the Agent.

Commercially Reasonable Efforts Offering

The total Offering is of a minimum of 3,000,000 Common Shares and up to a maximum of 8,000,000 Common Shares for total gross proceeds of a minimum of \$300,000 and up to a maximum of \$800,000. Under the CPC Policy, 75% or 2,250,000 Common Shares in the case of the Minimum Offering and 6,000,000 Common Shares in the case of the Maximum Offering are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2% or 60,000 Common Shares in the case of the Minimum Offering and 160,000 Common Shares in the case of the Maximum Offering, of the total number of Common Shares offered under this Prospectus; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4% or 120,000 Common Shares in the case of the Minimum Offering and 320,000 Common Shares in the case of the Maximum Offering of the total number of Common Shares offered under this Prospectus.

The funds received from the Offering will be deposited with the Depository, 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 Depository will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Depository.

Other Securities to be Distributed

The Issuer also proposes to grant Stock Options at Closing of the Offering to purchase up to 725,000 Common Shares in the event of the Minimum Offering being completed and 825,000 Common Shares in the event of the Maximum Offering being completed to current directors, officers and technical consultants in accordance with the policies of the Exchange. The grant of all of the Stock Options is qualified for distribution under this prospectus and entitles the holders of the Stock Options to purchase an aggregate of 725,000 Common Shares in the event of the Minimum Offering being completed and

825,000 Common Shares in the event of the Maximum Offering being completed at an exercise price of \$0.10 per Common Share for a period of 5 years from the date of grant. See "*Options to Purchase Securities*".

Determination of Price

The price of the Common Shares and the Agent's Commission were determined through negotiation between the Issuer and the Agent.

Listing Application

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

Venture Issuers

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS market operated by the PLUS Markets Group plc.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Options and the grant of Stock Options to the directors, officers, technical consultants of the Issuer, no securities of the Issuer will be permitted to be issued during the period between the date a receipt for this Prospectus is issued by the securities regulatory authorities 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 SECURITIES OFFERED

Share Capital

The authorized capital of the Issuer consists of an unlimited number of Common Shares without par value. As at the date of this Prospectus there are 4,250,000 Common Shares issued and outstanding.

The holders of Common Shares are entitled to vote at all meetings of shareholders of the Issuer, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of property or assets upon the

liquidation, winding-up or other dissolution of the Issuer. All Common Shares to be outstanding after completion of the Offering will be fully paid and non-assessable.

As at the date of this Prospectus, the Issuer has no outstanding loans or other debt obligations and there has been no material change in the capital of the Issuer since the date of its most recent balance sheet contained in the Prospectus. See “*Prior Sales*” and “*Options to Purchase Securities – Options Granted*”.

Dividend Record and Policy

The Issuer has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Issuer will determine if and when dividends should be declared and paid in the future based on the Issuer’s financial position at the relevant time. All of the Common Shares of the Issuer are entitled to an equal share in any dividends declared and paid.

CAPITALIZATION

The following table sets forth information respecting the capitalization of the Issuer as at the date of the balance sheet contained herein and as at the date hereof, both before and after giving effect to the Offering (but assuming no exercise of the Over-Allotment Option).

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus (1)(4)	Amount outstanding as of date of this Prospectus ⁽²⁾⁽³⁾⁽⁴⁾	Amount to be outstanding assuming completion of the Minimum Offering ⁽²⁾⁽³⁾	Amount to be outstanding assuming completion of the Maximum Offering ⁽²⁾⁽³⁾
Common Shares	Unlimited	\$212,500 (4,250,000 Common Shares)	\$212,500 (4,250,000 Common Shares)	\$512,500 (7,250,000 Common Shares)	\$1,012,500 (12,250,000 Common Shares)

- (1) As at the date of this Prospectus, the Issuer has not commenced commercial operations. The Issuer has no long-term debt.
- (2) A total of 725,000 Common Shares, in the event the Minimum Offering is completed, or 825,000 Common Shares, in the event the Maximum Offering is completed, have been reserved for issuance pursuant to Stock Options to be granted to directors, officers and technical consultants of the Issuer exercisable at a price of \$0.10 per share for a period of 5 years from the date of listing of the Common Shares on the Exchange. See “*Options to Purchase Securities – Options Granted*”.
- (3) Funds estimated to be available on completion of the Offering amount to \$389,200 after giving effect to the Minimum Offering (\$839,200 - Maximum Offering and deducting the Agent’s

Commission, Work Fee and related expenses incurred by the Corporation. See “Use of Proceeds”.

- (4) These Common Shares are subject to escrow restrictions. See “Escrowed Securities”.
- (5) In the event that the Over-Allotment Option is exercised, which requires the completion of the Maximum Offering, a further 1,200,000 Common Shares will be issued.

OPTIONS TO PURCHASE SECURITIES

Options Granted

On completion of the Offering, the Issuer will issue the following Stock Options to purchase securities, all of which expire 5 years from the date of listing of the Common Shares on the Exchange.

Optionee	Number of Common Shares Reserved Under Option (Minimum Offering) (#) ⁽¹⁾⁽²⁾	Number of Common Shares Reserved Under Option (Maximum Offering) (#) ⁽¹⁾⁽²⁾	Exercise or Base Price (\$/per Common Share)	% of Total Options Granted (excludes Agent’s Options) (Minimum Offering)	% of Total Options Granted (excludes Agent’s Options) (Maximum Offering)
Andrew Yau	200,000	250,000	\$0.10	27.59%	30.30%
Daniela Freitas	185,000	200,000	\$0.10	25.52%	24.24%
Jorge Martinez	160,000	175,000	\$0.10	22.07%	21.21%
Ivonne Maldonado	90,000	100,000	\$0.10	12.41%	12.12%
Danielle Sweeting	90,000	100,000	\$0.10	12.41%	12.12%
Total	725,000	825,000		100%	100%

1. The exercise price of the Stock Options was based on the offering price of the Common Shares under this Prospectus.
2. These options will all vest immediately on the date of grant, namely on the date on which the Common Shares are listed on the Exchange and will expire five years from the date of grant.

The Stock Options to be granted to directors, officers and technical consultants as noted above are qualified for distribution pursuant to this Prospectus.

The Board of Directors of the Issuer may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Issuer and Eligible Charitable Organizations non-transferable Stock Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares of the Issuer issued and outstanding as at the date of grant of any Stock Option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of the Stock Option.

The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed two percent (2%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any Stock Option.

The number of Common Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any Stock Option.

The term of a Stock Option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Issuer, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such Stock Option.

All Stock Options and Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of Stock Options are subject to escrow under the Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the Escrow Agreement. For further details of the escrow requirements and release provisions, see “*Escrow Securities*”.

PRIOR SALES

Since the date of incorporation and prior to the date of this Prospectus, 4,250,000 Common Shares of the Issuer have been issued as follows:

Date	Number of Common Shares	Issue price per Common Share	Aggregate Issue Price	Consideration Received
January 21, 2021	1 ⁽¹⁾	\$1.00	\$1.00	Cash
March 12, 2021 ⁽²⁾	4,250,000	\$0.05	\$212,500	Cash

⁽¹⁾ Initial incorporator’s share, which has since been repurchased by the Issuer and cancelled.

⁽²⁾ All of these Common Shares have been placed in escrow pursuant to the Escrow Agreement. See “*Escrowed Securities*”.

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 4,250,000 Common Shares of the Issuer issued prior to the Offering at a price below \$0.10 per Common Share and all Common Shares that may be acquired from treasury of the Issuer by Non Arm’s Length Parties of the Issuer, either under the Offering or otherwise, prior to the date of the Final QT Exchange Bulletin, will be deposited with Computershare (the “**Escrow Agent**”) under the Escrow Agreement.

All Stock Options and all Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of Stock Options are subject to escrow under

the Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the Escrow Agreement.

The following table sets out, as at the date of this Prospectus, the number of Common Shares and Stock Options which are held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering⁽¹⁾	Percentage of Common Shares after giving effect to the Maximum Offering⁽¹⁾	Number of Stock Options held in escrow (Minimum Offering⁽²⁾)	Number of Stock Options held in escrow (Maximum Offering⁽²⁾)
Robert Giustra, West Vancouver, BC	1,000,000	1,000,000	23.53%	13.79%	8.16%	Nil	Nil
Jorge Martinez, Vancouver, BC	600,000	600,000	14.12%	9.52%	4.90%	160,000	175,000
Alas Krutous, Bowmanville, ON	500,000	500,000	11.76%	6.90%	4.08%	Nil	Nil
Ivano Veschini, Vancouver, BC	500,000	500,000	11.76%	6.90%	4.08%	Nil	Nil
Sean MacGrath, Vancouver, BC	500,000	500,000	11.76%	6.90%	4.08%	Nil	Nil
Peter Gianulis, Key Biscayne, FL, U.S.A.	500,000	500,000	11.76%	6.90%	4.08%	Nil	Nil
Andrew Yau, Vancouver, BC	300,000	300,000	7.06%	4.14%	2.45%	200,000	250,000
Elisa Giustra, North Bay, ON	200,000	200,000	4.71%	2.76%	1.63%	Nil	Nil
Daniela Freitas, Burnaby, BC	100,000	100,000	2.35%	1.38%	0.82%	185,000	200,000
Danielle Sweeting, Maple Ridge, BC	50,000	50,000	1.18%	0.69%	0.41%	90,000	100,000

Name and Municipality of Residence of Shareholder	Common Shares	Number of Common Shares held in Escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering ⁽¹⁾	Percentage of Common Shares after giving effect to the Maximum Offering ⁽¹⁾	Number of Stock Options held in escrow (Minimum Offering ⁽²⁾)	Number of Stock Options held in escrow (Maximum Offering ⁽²⁾)
Ivonne Maldonado, Burnaby, BC	Nil	Nil	N/A	N/A	N/A	90,000	100,000
TOTAL	4,250,000	4,250,000	100.00%	58.62%	34.69%	725,000	825,000

Notes:

- ⁽¹⁾ Assuming none of these Persons purchases any Common Shares under the Offering. Assuming no exercise of the Over-Allotment Option.

Where the Common Shares are required to be held in escrow are held by a non-individual (a “**holding company**”), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it 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 company.

Where the Common Shares of the Issuer which are required to be held in escrow are held by a non-individual (a “holding company”), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it 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 company.

Under the Escrow Agreement:

- (a) all Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than Stock Options that were granted prior to the Issuer’s IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such Stock Options which will be released from escrow in accordance with (b);

- (b) except for the Stock Options and Common Shares issued pursuant to the exercise of such Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%
Date 18 months following Final QT Exchange Bulletin	25%
TOTAL	100%

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 existing Principals of the Issuer and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement, upon the issuance by the Exchange of a Bulletin delisting the Issuer, the [escrow agent] is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Issuer that were issued at a price below the Offering price under this prospectus and all Stock Options and Option Shares held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange Bulletin.

Escrowed Securities on Qualifying Transaction

Generally, in connection with the Qualifying Transaction, subject to certain exemptions, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the Policies of the Exchange.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own of record or who are known to the Issuer as at the date hereof to who own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Issuer, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares of the Issuer:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares Presently Owned ⁽¹⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering⁽²⁾	Percentage of Common Shares after giving effect to the Maximum Offering⁽²⁾
Robert Giustra, West Vancouver, BC	Direct	1,000,000	23.53%	13.79%	8.16%
Jorge Martinez, Vancouver, BC	Direct	600,000	14.12%	9.52%	4.90%
Ala Krutous, Bowmanville, ON	Direct	500,000	11.76%	6.90%	4.08%
Ivano Veschini, Vancouver, BC	Direct	500,000	11.76%	6.90%	4.08%
Sean McGrath, Vancouver, BC	Direct	500,000	11.76%	6.90%	4.08%
Peter Gianulis, Key Biscayne, FL, U.S.A.	Direct	500,000	11.76%	6.90%	4.08%

Notes:

- (1) These securities are subject to escrow trading restrictions pursuant to the policies of the Exchange. See *"Escrowed Securities"*.
- (2) Before giving effect to the exercise of the Stock Options to be granted to directors, and officers. and assuming no exercise of the Over-Allotment Option.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following is a list of the current directors and officers of the Issuer, their province or state and country of residence, their current positions with the Issuer, their respective principal occupations during the past five years and the number of Common Shares of the Issuer beneficially owned, directly or indirectly, or over which control or direction is exercised.

Name and Municipality of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held ⁽²⁾	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering ⁽³⁾⁽⁴⁾
Robert Giustra, West Vancouver, BC, Director and Promoter ⁽¹⁾	President of Columbus Capital Corp. (a private investment company) from January 2013 to Present; Chairman of Orea Mining Corp. (TSXV listed mining company) from September 2004 to Present; Director of Xebra Brands Ltd. (a private cannabis company) from February 2019 to Present	1,000,000	23.53%	13.79%
Jorge Martinez, Vancouver, BC, Director and Promoter ⁽¹⁾	VP of Corporate Operations of Orea Mining Corp. from February 2021 to Present and VP of Communication and Technology of Orea Mining Corp. from November 2012 until January 2021; COO of Xebra Brands Ltd. from January 2020 to Present	600,000	14.12%	8.28 %
Andrew Yau, Vancouver, BC, Director, Promoter, CEO and CFO ⁽¹⁾	Executive Vice President and CFO of Orea Mining Corp. from May 2016 to Present; CFO of Xebra Brands Ltd. from December 2019 to Present	300,000	7.06%	4.14%
Daniela Freitas, Burnaby, BC, Corporate Secretary	Corporate Secretary of Orea Mining Corp. from January 2019 to Present and Xebra Brands Ltd. from September 2020 to Present	100,000	2.35%	1.38%
Danielle Sweeting, Maple Ridge, BC, Executive Manager	Executive Assistant of Orea Mining Corp. from January 2013 to Present; Executive Assistant of Xebra Brands Ltd. from October 2019 to Present	50,000	1.18%	0.69%

⁽¹⁾ Members of the Audit Committee. The Issuer does not have any other committees.

⁽²⁾ These Common Shares are subject to escrow restrictions. See *"Escrowed Securities"*. Also does not include a total of 725,000 Stock Options to be granted to the Issuer's directors, officers and technical consultants if the Minimum Offering is completed or 825,000 Stock Options to be granted to the Issuer's directors, officers and technical consultants if the Maximum Offering is completed. See *"Options to Purchase Securities"*.

⁽³⁾ Assuming no exercise of the Stock Options to be granted to the directors and officers. See *"Options to Purchase Securities."*

- (4) As of the date of this Prospectus, the directors and officers of the Issuer, as a group, beneficially own, directly or indirectly, 47.06% of the Common Shares of the Issuer. Following completion of the Minimum Offering, the directors and officers of the Issuer, as a group, will beneficially own, directly or indirectly, 58.62% of the Common Shares of the Issuer and 34.69% of the Common Shares of the Issuer upon completion of the Maximum Offering, assuming no directors or officers of the Issuer acquire Common Shares in the Offering.

In addition to any other requirements of the Exchange, the Exchange expects management of the Issuer to meet a high standard. The directors and officers of the Issuer 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 officers and directors are independent contractors and will devote the time considered necessary to perform the work required in connection with the management and direction of the Issuer and Completion of a Qualifying Transaction. None of the officer or directors have entered into any non-competition or non-solicitation agreement with the Issuer.

Robert Giustra, Director (Age: 51). Mr. Giustra is the Chairman of Allegiant Gold Ltd. and Columbus Gold Corp.. He has been engaged in funding and managing mining companies for more than 24 years. He is a former investment banker with the Québec based national investment dealer Whalen Béliveau (later acquired by Canaccord Capital) where he co-founded the institutional equity sales department with a specialist focus on the mining sector. He has held director and senior executive positions with a number of listed mining companies. Mr. Giustra is a former member of the TSX Venture Exchange's Local Advisory Committee. He holds an economics degree from the University of Western Ontario.

Mr. Giustra is the beneficial owner of 1,000,000 Common Shares of the Issuer, amounting to 23.53% of the Issuer's total issued and outstanding share capital as at the date of this Prospectus. See "*Options to Purchase Securities*". Mr. Giustra will devote 10% of his working time to the affairs of the Issuer.

Jorge Martinez, Director and Promoter (Age: 49). Mr. Martinez has over 20 years of experience in business management and corporate communications, particularly in the natural resource and technology sectors. He has held executive roles with both private and publicly traded companies in the United States, Canada, and Latin America specializing in corporate operations and efficiency. Mr. Martinez holds a BA from the University of Miami with concentrations in Electrical Engineering and Business Administration, and further studies in Management at the University of British Columbia.

Mr. Martinez is the beneficial owner of 600,000 Common Shares of the Issuer, amounting to 14.12% of the Issuer's total issued and outstanding share capital as at the date of this Prospectus. Mr. Martinez will also be granted a Stock Option to purchase 160,000 Common Shares on completion of the Minimum Offering or 175,000 Common Shares on completion of the Maximum Offering. Mr. Martinez will 10% of his working time to the affairs of the Issuer.

Andrew Yau, Director, CEO and CFO (Age: 41). Mr. Andrew Yau, CPA, CGA, holds a Bachelor of Commerce and Business Administration degree from the University of British Columbia and has been in accounting and finance roles with publicly listed companies since 2006. Mr. Yau previously held senior financial positions with several Toronto Stock Exchange and TSX Venture Exchange listed companies, where he was responsible for all aspects of finance, accounting, tax, banking, regulatory reporting, and internal controls.

Mr. Yau is the beneficial owner of 300,000 Common Shares of the Issuer, amounting to 7.06% of the Issuer's total issued and outstanding share capital as at the date of this Prospectus. Mr. Yau will also be granted a Stock Option to purchase 200,000 Common Shares on completion of the Minimum Offering or 250,000 Common Shares on completion of the Maximum Offering. Mr. Yau will devote such time to the business of the Issuer as is required to effectively fulfill his duties as Chief Executive Officer and Chief Financial Officer.

Daniela Freitas, Corporate Secretary (Age: 55). Ms. Freitas has been providing accounting and paralegal services to the company since 2011, helping the corporate team in meeting internal controls, as well as regulatory and governance compliance requirements. Prior to joining Orea Mining Corp. as its corporate secretary, Ms. Freitas acted as a secretary in a project conducted by the United Nations Development Programme (UNDP) in Brazil and later as a secretary to its supervising World Bank field office. Ms. Freitas obtained a degree in Arts and Education from Universidade Estadual de Londrina, in Brazil, and is a certified Legal Assistant by Capilano University in North Vancouver and a certified Paralegal by Vancouver Community College in Vancouver.

Mrs. Freitas is the beneficial owner of 100,000 Common Shares of the Issuer, amounting to 2.35% of the Issuer's total issued and outstanding share capital as at the date of this Prospectus. Mrs. Freitas will also be granted a Stock Option to purchase 185,000 Common Shares on completion of the Minimum Offering or 200,000 Common Shares on completion of the Maximum Offering. Mrs. Freitas will devote 10% of her working time to the affairs of the Issuer.

Daniela Sweeting, Executive Manager (Age: 40). Ms. Sweeting has 15 years of experience with publicly traded companies. Her contributions have been vital in the go public process, in M&A, fundraising, marketing, internal controls, and day-to-day management. Mrs. Sweeting is experienced in various industry sectors, and has been an integral past member of management of a number of companies, including Allegiant Gold Ltd., a Nevada gold explorer, and Organto Foods Inc., a global food company; and she is presently a dedicated and valued member of Xebra Brands Ltd., an international cannabis company, and Orea Mining Corp., an advanced stage gold mine developer in South America.

Mrs. Sweeting is the beneficial owner of 50,000 Common Shares of the Issuer, amounting to 1.18% of the Issuer's total issued and outstanding share capital as at the date of this Prospectus. Mrs. Sweeting will also be granted a Stock Option to purchase 90,000 Common Shares on completion of the Minimum Offering or 100,000 Common Shares on

completion of the Maximum Offering. Mrs. Sweeting will devote 10% of her working time to the affairs of the Issuer.

Other Reporting Issuer Experience

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

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Period
Robert Giustra	Orea Mining Corp., British Columbia, Canada	TSX	Director	September 2004 to Present
	Organto Foods Inc., British Columbia, Canada	TSX-V	Director	May 2007 to April 2021
	Columbus Gold Corp.	TSX	CEO	May 2011 to January 2018
	Allegiant Gold Ltd.	TSX-V	Chairman	January 2018 to May 2020
	Allegiant Gold Ltd.	TSX-V	CEO	July 2018 to September 2019
	Zazu Metals	TSX-V	Director	May 2012 to July 2017
Andrew Yau	Orea Mining Corp., British Columbia, Canada	TSX	Executive Vice President & CFO	May 2016 to Present
	Allegiant Gold Ltd.	TSX-V	Chief Financial Officer	June 2018 to September 2019
	Organto Foods Inc.	TSX-V	Chief Financial Officer	May 2016 to December 2017
Jorge Martinez	Orea Mining Corp., British Columbia, Canada	TSX	VP of Corporate Operations	February 2021 to Present
	Orea Mining Corp., British Columbia, Canada	TSX	VP of Communication & Technology	November 2012 to January 2021
Daniela Freitas	Orea Mining Corp., British Columbia, Canada	TSX	Corporate Secretary	January 2019 to Present
	Allegiant Gold Ltd.	TSX-V	Corporate Secretary	January 2019 to September 2019

Audit Committee

Pursuant to the provisions of the BCBCA, the Issuer is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Issuer's system of internal controls, to review the results of the external audit and to resolve any potential disputes with the Issuer's auditor.

The Audit Committee's Charter

The responsibilities and duties of the Audit Committee are set out in the Audit Committee's charter, the text of which is set forth in Appendix "A" to this Prospectus.

Composition of the Audit Committee

The Audit Committee consists of three members: Robert Giustra, Andrew Yau and Jorge Martinez. The majority of the members of the Audit Committee are "independent" and all the members are "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). See above for Audit Committee member biographies of relevant education and experience.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements. Each member of the Audit Committee also has a significant understanding of the business in which the Issuer is engaged and has an appreciation for the relevant accounting principles used in the Issuer's business.

Pre-Approval of Audit and Non-Audit Services by Independent Auditors

The Audit Committee pre-approves all audit services provided to the Issuer by its independent auditors. The Audit Committee's policy regarding the pre-approval of non-audit services is that all such services shall be pre-approved by the Audit Committee. Prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the board of directors of the Issuer.

Audit Fees

No audit fees have been paid to the Issuer's auditors from the date of incorporation (January 21, 2021) to the date of this Prospectus.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial period has the Issuer relied on the exemption in Section 2.4 of NI 52-110 [De Minimis Non-audit Services], or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Issuer is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Issuer is relying upon the exemption in section 6.1 of NI 52-110 providing that the Issuer is exempt from the application of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Cease Trade Orders

No director, officer, Insider or promoter of the Issuer, or any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer is or was within the 10 years before the date of the prospectus been a director, officer, Insider or promoter of any other Issuer that:

- (a) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director, officer, Insider, promoter or shareholder was acting in the capacity as director, officer, Insider or promoter; or
- (b) was subject to a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director, officer, Insider, promoter or shareholder ceased to be a director, officer, Insider or promoter and which resulted from an event that occurred while acting in the capacity as director, officer, Insider or promoter.

Penalties and Sanctions

No director, officer, Insider or Promoter of the Issuer, or any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has been subject to any (i) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Bankruptcies

No director, officer, Insider or Promoter of the Issuer, or any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer,

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director, officer, Insider or promoter of any company that, while that person was acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and Promoters of the Issuer will be subject to in connection with the operations of the Issuer. The directors and officers of the Issuer will not be devoting all of their time to the affairs of the Issuer. Some of the directors and officers of the Issuer are directors and officers of other companies. See "Directors, Officers and Promoters". Some of the other companies are engaged in and will continue to be engaged in the search for properties or business prospects that may be suitable Qualifying Transactions for the Issuer. Accordingly, situations may arise where some or all of the directors, officers, Insiders or Promoters of the Issuer will be in direct competition with the Issuer. The directors and officers of the Issuer are required by law to act in the best interests of the Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Issuer may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Issuer to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Issuer. Such conflicting legal obligations may expose the Issuer to liability to others and impair its ability to achieve its business objectives. Conflicts will be subject to the procedures and remedies as provided for under the BCBCA.

EXECUTIVE COMPENSATION

Except as set out below and otherwise disclosed in this Prospectus, prior to completion of a Qualifying Transaction, other than with respect to a permitted use of funds no payment of any kind has been made, or will be made, directly or indirectly, by the Issuer to a Non Arm's Length Party to the Issuer 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 Issuer or Resulting Issuer by any means, other than:

- (a) grants of Stock Options as described in "*Options to Purchase Securities*;

(b) payment for and reimbursement of certain expenses as described in *"Use of Proceeds – Permitted Use of Funds"* and *"Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties"*; and

(c) finder's fees as described in *"Use of Proceeds – Finder's Fees"*.

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

PROMOTERS

Each of the directors of the Issuer may be considered to be the promoters of the Issuer in that they took the initiative in organizing the business of the Issuer. As of the date hereof, Mr. Giustra is the direct owner of 1,000,000 Common Shares. Mr. Martinez is the direct owner of 600,000 Common Shares, and will be granted 160,000 Stock Options, in the event the Minimum Offering is completed and 175,000 Stock Options, in the event the Maximum Offering is completed, all at a price of 0.10 per Common Share pursuant to the Stock Option Plan, while Mr. Yau is the direct owner of 300,000 Common Shares, and will be granted 200,000 Stock Options, in the event the Minimum Offering is completed and 250,000 Stock Options, in the event the Maximum Offering is completed, all at a price of \$0.10 per Common Share pursuant to the Stock Option Plan. See *"Options to Purchase Securities"*, *"Escrowed Securities"*, *"Principal Shareholders"* and *"Directors, Officers and Promoters"*.

DILUTION

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of 29.31% or \$0.02931 per Common Share on the basis of there being 7,250,000 Common Shares of the Issuer issued and outstanding following completion of the Minimum Offering and 17.35% or \$0.01735 per Common Share on the basis of there being 12,250,000 Common Shares of the Company issued and outstanding following completion of the 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 Issuer.

RISK FACTORS

Investment in the Common Shares involves a high degree of risk, and investors should not invest unless they can afford to lose their entire investment. In addition to the other information contained in this Prospectus, prospective investors should consider carefully the following factors before making a decision to purchase Common Shares:

(a) the Issuer was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and

shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;

- (b) investment in the Common Shares offered by the Prospectus is highly speculative given the proposed nature of the Issuer's business and its present stage of development;
- (c) the directors and officers of the Issuer will only devote a portion of their time to the business and affairs of the Issuer 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) the Issuer may incur additional expenses and delays due to the impact of the global pandemic caused by COVID-19 on the capital markets and general market conditions. Such expenses and delays may result in a material adverse impact in connection with the Issuer's ability to complete its Offering, and its ability to obtain additional necessary capital in the future. In particular, while the precise impact of the COVID-19 outbreak on the Issuer remains unknown, rapid spread of COVID-19 and its declaration as a global pandemic may have a negative impact on the Issuer's business in general;
- (e) assuming completion of the Minimum Offering, an investor will suffer an immediate dilution on investment of 29.31% or \$0.02931 per Common Share, assuming completion of the Maximum Offering, an investor will suffer an immediate dilution on investment of 17.35% or \$0.01735 per Common Share;
- (f) there can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (g) until Completion of the Qualifying Transaction, the Issuer is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (h) the Issuer has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Issuer will be able to identify a suitable Qualifying Transaction;
- (i) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Issuer will be able to successfully complete the transaction;
- (j) 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;
- (k) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a

proposed 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 Issuer of fair value for the Common Shares;

- (l) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Issuer will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Issuer will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Issuer completing the proposed Qualifying Transaction;
- (m) trading in the Common Shares of the Issuer may be halted at other times for other reasons, including for failure by the Issuer to submit documents to the Exchange in the time periods required;
- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management of the Issuer resides outside of Canada or the Issuer 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 Issuer 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 Issuer; and
- (q) subject to prior Exchange acceptance, the Issuer may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Issuer will be able to recover that loan.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Issuer 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.

LEGAL PROCEEDINGS

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

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENT

The Issuer is not a related or connected party (as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN THE ISSUER AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by S. Paul Simpson Law Corporation, on behalf of the Issuer, and Jay Vieira on behalf of the Agent.

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 Issuer or any Associate or Affiliate of the Issuer. As at the date hereof, the aforementioned Persons beneficially own, directly or indirectly, no securities of the Issuer or its Associates and Affiliates. In addition, 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 Issuer or of an Associate or Affiliate of the Issuer, or a Promoter of the Issuer or of an Associate or Affiliate of the Issuer.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of the Issuer is Saturna Group Chartered Professional Accountants LLP, 1066 West Hastings Street, Suite 1250, Vancouver, BC, V6E 3X1. The registrar and transfer agent of the Common Shares of the Issuer is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3A8.

MATERIAL CONTRACTS

The following are the material contracts of the Issuer that are outstanding as at the date of this Prospectus:

- (a) Registrar and Transfer Agent Agreement between the Issuer and Computershare Investor Services Inc. Issuer dated March 16, 2021.
- (b) Escrow Agreement dated May 12, 2021 among the Issuer, Computershare Investor Services Inc. and certain shareholders of the Issuer. See "Share Capital - Escrow Securities".
- (c) Agency Agreement dated ● among the Issuer and the Agent. See "Plan of Distribution".

The material contracts described above may be inspected at the offices of Armstrong Simpson, Suite 2080, 777 Hornby Street, Vancouver, British Columbia during normal

business hours during the period of the distribution of the Common Shares being distributed under this Prospectus and for a period of thirty days thereafter.

INVESTOR RELATIONS AGREEMENTS

The Issuer has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Issuer or its securities or to engage in activities for the purposes of stabilizing the market.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers have all acquired Common Shares and will be granted Stock Options to purchase Common Shares. See *“Directors, Officers and Promoters”* and *“Options to Purchase Securities”*. Save and except for their interest in the subscription for treasury shares, management has no interests in any material transactions of the Issuer.

ELIGIBILITY FOR INVESTMENT

Based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively the **"Tax Act"**) in force as of the date hereof, provided the Common Shares are listed on a “designated stock exchange” (as such term is defined in the Tax Act and which currently includes the Exchange) or the Issuer is otherwise a “public corporation” (as that term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a “qualified investment” under the Tax Act for a trust governed by a registered retirement savings plan (**"RRSP"**), registered retirement income fund (**"RRIF"**), deferred profit sharing plan, registered education savings plan (**"RESP"**), registered disability savings plan (**"RDSP"**) or a tax-free savings account (**"TFSA"**) as those terms are defined in the Tax Act (collectively, the **“Registered Plans”**). **Holders who intend to hold Common Shares in a Registered Plan should consult their own tax advisors regarding whether such securities are “qualified investment” at the relevant time for such Registered Plan.**

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

Notwithstanding that a Common Share may be a qualified investment for a Registered Plan, the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such Common Shares are a “prohibited investment” for the Registered Plan for purposes of the Tax Act. The Common Shares will generally be a “prohibited investment” for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length with the Issuer for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act) in the Issuer. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are “excluded property” within the meaning of the Tax Act for the Registered Plan. **Holders, subscribers or annuitants who intend to hold Common Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to 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.

PURCHASER’S STATUTORY RIGHTS

Securities legislation in the provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In British Columbia, Alberta and Ontario, securities legislation further provides a purchaser with remedies for rescission, revisions of the price or damages where the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages, are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. A 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

**For the Period From January 21, 2021
(Date of Incorporation) to April 30, 2021**

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shellron Capital Ltd.

Opinion

We have audited the financial statements of Shellron Capital Ltd. (the "Company"), which comprise the statement of financial position as at April 30, 2021, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from January 21, 2021 (date of incorporation) to April 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and its financial performance and its cash flows for the period from January 21, 2021 (date of incorporation) to April 30, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no business operations and incurred negative cash flow from operations during the period ended April 30, 2021, and, as at that date, the Company had an accumulated deficit of \$6,162. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

A handwritten signature in black ink that reads "Saturna Group LLP". The signature is fluid and cursive, with the letters "S" and "G" being particularly large and stylized.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

June 18, 2021

	April 30, 2021 (\$)
Assets	
Current assets	
Cash	205,324
Receivables	14
Prepaid expenses	5,000
Total assets	210,338
Liabilities and Shareholders' Equity	
Current liabilities	
Accounts payable and accrued liabilities	4,000
Total liabilities	4,000
Shareholders' equity	
Share capital (Note 4)	212,500
Deficit	(6,162)
Total shareholders' equity	206,338
Total liabilities and shareholders' equity	210,338

Nature of operations and going concern (Note 1)
Subsequent event (Note 8)

Approved and authorized for issuance on behalf of the Board of Directors on June 18, 2021:

/s/ Andrew Yau
Andrew Yau, Director

/s/ Jorge Martinez
Jorge Martinez, Director

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

Shelliron Capital Ltd.**Statement of Operations and Comprehensive Loss**

(Expressed in Canadian Dollars)



	Period from January 21, 2021 (date of incorporation) to April 30, 2021 (\$)
Expenses	
Administration and office	1,857
Professional fees	4,305
Total expenses	6,162
Net loss and comprehensive loss for the period	(6,162)
Loss per share, basic and diluted	—
Weighted average shares outstanding	2,103,535

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

Shelliron Capital Ltd.
Statement of Changes in Equity
(Expressed in Canadian Dollars)



	Share Capital		Deficit (\$)	Total (\$)
	Number of Shares	Amount (\$)		
Balance, January 21, 2021 (date of incorporation)	–	–	–	–
Shares issued for cash	4,250,000	212,500	–	212,500
Net loss for the period	–	–	(6,162)	(6,162)
Balance, April 30, 2021	4,250,000	212,500	(6,162)	206,338

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

	Period From January 21, 2021 (date of incorporation) to April 30, 2021 (\$)
Operating Activities	
Net loss for the period	(6,162)
Changes in non-cash working capital:	
Receivables	(14)
Prepaid expenses	(5,000)
Accounts payable and accrued liabilities	4,000
Net cash used in operating activities	(7,176)
Financing Activities	
Proceeds from shares issued	212,500
Net cash provided by financing activities	212,500
Increase in cash	205,324
Cash, beginning of period	—
Cash, end of period	205,324

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

1. Nature of Operations and Going Concern

Shellron Capital Ltd. (the “Company” or “Shellron”) was incorporated under the laws of the province of British Columbia, Canada on January 21, 2021. The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, Canada, V6B 2R9.

The Company is in the process of completing an initial public offering (“IPO”) to be classified as a Capital Pool Company (“CPC”) pursuant to the policies of the TSX Venture Exchange (“TSXV”) Policy 2.4. The Company is in the development stage and its principal business will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the TSXV. Such a transaction will be subject to shareholder and regulatory approval.

These financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. During the period ended April 30, 2021, the Company has no business operations and incurred negative cash flow from operations. As at April 30, 2021, the Company had an accumulated deficit of \$6,162. Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19.

2. Basis of Presentation

(a) Statement of Compliance

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

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis and are presented in Canadian dollars. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of Presentation– *continued*

(c) Use of Estimates and Judgments

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant areas requiring the use of estimates include unrecognized deferred income tax assets.

Significant Judgments

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in the statement of operations for the year.

3. Significant Accounting Policies - continued**(c) Income Taxes**

Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the statement of financial position method of tax allocation. Under this method, deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

A deferred income tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current income tax assets and liabilities on a net basis. Current and deferred income taxes relating to items recognized directly in equity is recognized in equity and not in the statement of operations.

(d) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(e) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

3. Significant Accounting Policies – continued**(f) Financial Instruments**

The Company's financial instruments consist of cash and accrued liabilities.

The Company's classification of its financial instruments under IFRS 9 – *Financial Instruments* ("IFRS 9") is as follows:

Asset or Liability	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Classifications

On initial recognition, the Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

3. Significant Accounting Policies – continued**(f) Financial Instruments – continued****Measurement***Financial Assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial Assets and Liabilities at Amortized Cost

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

Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in the statement of operations in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Derecognition***Financial Assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of operations. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

3. Significant Accounting Policies – continued

(f) Financial Instruments – *continued*

Derecognition - continued

Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

(g) New Accounting Standards Not Yet Adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Share Capital

Authorized - unlimited common shares without par value

On March 12, 2021, the Company issued 4,250,000 common shares at \$0.05 per share for proceeds of \$212,500.

5. Financial Instruments and Risk Management

Financial risks

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments as at April 30, 2021 are summarized below.

(a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statement of financial position. Cash is held as cash deposits with a creditworthy bank.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at April 30, 2021, the Company has working capital of \$206,338.

5. Financial Instruments and Risk Management - continued**(c) Market Risks****(i) Foreign Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at April 30, 2021, the Company has a cash balance of US\$19,205. The Company has not hedged its exposure to currency fluctuations.

(ii) Interest Rate Risk

The Company does not have any interest bearing debt and is therefore not exposed to interest rate risk.

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which includes cash and accounts payable and accrued liabilities, approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

6. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue a Qualifying Transaction and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the startup stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company will be subject to externally imposed capital requirements under Policy 2.4 of the TSXV for capital pool companies.

7. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2021 (\$)
Canadian statutory income tax rate	11%
Income tax recovery at statutory rate	(678)
Tax effect of:	
Change in unrecognized deferred income tax assets	678
Income tax provision	—

The significant components of deferred income tax assets and liabilities are as follows:

	2021 (\$)
Deferred income tax assets	
Non-capital loss carried forward	678
Unrecognized deferred income tax assets	(678)
Net deferred income tax asset	—

As at April 30, 2021, the Company has a non-capital loss carried forward of \$6,162, which is available to offset future years' taxable income. This loss expires in 2041.

8. Subsequent Event

On May 3, 2021, the Company entered into a letter of engagement (the "Agreement") with Hampton Securities Limited (the "Agent") to act as its agent in connection with the Company's IPO. The IPO will consist of a minimum 3,000,000 common shares at \$0.10 per share for proceeds of \$300,000 and a maximum of 8,000,000 common shares for proceeds of \$800,000. Pursuant to the Agreement, the Agent will receive a cash commission of up to 10% of the gross proceeds of the IPO, payable at the closing of the IPO. The Agent will be paid a work fee of \$20,000 and will be reimbursed by the Company for its expenses and legal fees.

CERTIFICATE OF THE ISSUER

July 27, 2021

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

(Signed) "Andrew Yau"

CEO, CFO Secretary and Director

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "Robert Giustra"

Director

(Signed) "Jorge Martinez"

Director

CERTIFICATE OF THE PROMOTERS

July 27, 2021

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

(Signed) "Robert Giustra"
Promoter

(Signed) "Andrew Yau"
Promoter

(Signed) "Jorge Martinez"
Promoter

CERTIFICATE OF THE AGENT

July 27, 2021

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

HAMPTON SECURITIES LTD.

(Signed) "Andrew Deeb"

Andrew Deeb

Managing Director - Investment Banking

ACKNOWLEDGMENT - PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any items in the attached prospectus that are analogous to Items 4.2, 6.7, 11.1, 13.1, 14, 15 and 21 of this form, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the prospectus; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: July 27, 2021

SHELLRON CAPITAL LTD.

Per: “Andrew Yau”

CEO, CFO and Director