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## FINAL PROSPECTUS

INITIAL PUBLIC OFFERING

DATED: January 25, 2019

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### ALPHANCO VENTURE CORP. (a capital pool company)

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**Offering: \$400,000**  
**4,000,000 Common Shares**  
**Price: \$0.10 per Common Share**

Alphanco Venture Corp. (the "**Corporation**") hereby offers through its agent (the "**Agent**"), Canaccord Genuity Corp., 4,000,000 common shares ("**Common Shares**") in the capital of the Corporation for sale to the public at a price of \$0.10 per Common Share for gross proceeds of \$400,000. The purpose of this offering (the "**Offering**") is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. See "Glossary" for the definitions of capitalized terms herein. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**") and in the case of a Non Arm's Length Qualifying Transaction must also receive Majority of the Minority Approval, in accordance with Exchange Policy 2.4 (the "**CPC Policy**"). The Corporation 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, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See "Business of the Corporation" and "Use of Proceeds".

#### Distribution

	Common Shares	Price to Public	Agent's Commission <sup>(1)</sup>	Proceeds to Corporation <sup>(2)</sup>
Per Common Share	1	\$0.10	\$0.01	\$0.09
Offering	4,000,000	\$400,000	\$40,000	\$360,000

#### Notes:

- (1) A cash commission of 10% of the gross proceeds of the Offering will be paid to the Agent. In addition the Agent and its sub-agents, if any, will be granted Agent's Warrants to purchase 400,000 Common Shares equal to 10% of the aggregate number of Common Shares expected to be sold pursuant to the Offering, at a price of \$0.10 per Common Share, for a period of 24 months from the Listing Date, which Agent's Warrants are qualified for distribution under the Prospectus. The Agent will also be paid an administration fee of \$15,000. The Agent will be reimbursed by the Corporation for its legal fees and expenses of which \$15,000.00 has been advanced. See "Plan of Distribution – Agency Agreement and Agent's Compensation".
- (2) Before deducting the additional costs of this issue estimated at \$90,000 which includes legal and audit fees and other expenses of the Corporation, the Agent's administration fee, the Agent's legal fees and disbursements and the listing fees payable to the Exchange. See "Use of Proceeds".
- (3) The Corporation also intends on granting Incentive Stock Options to purchase 670,000 Common Shares, at a price of \$0.10 per Common Share exercisable for a period of five years from the Closing Date, to the Corporation's directors

*and officers in accordance with the policies of the Exchange, which options are also qualified for distribution under this Prospectus. See "Plan of Distribution", "Description of Securities Distributed" and "Options to Purchase Securities".*

This Offering is made on a commercially reasonable efforts basis by the Agent and is subject to a minimum aggregate subscription of 4,000,000 Common Shares for total minimum gross proceeds to the Corporation of \$400,000. The offering price of the Common Shares was determined by negotiation between the Corporation and the Agent subject to Exchange requirements. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement between the Corporation and the Agent. If the minimum Offering is not fully subscribed within 90 days of the issuance of a receipt for the final Prospectus or such other time as may be consented to by the Agent and the 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".

### **Market for Securities**

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Warrants and the concurrent grant of the Incentive Stock Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for the preliminary Prospectus is issued by each of the applicable securities commissions and the time the Common Shares are listed for trading on the Exchange except, subject to prior acceptance of the Exchange, where appropriate registration and Prospectus exemptions are available under securities legislation or where the applicable securities regulatory authority grants a discretionary order.

There is no market through which the Common Shares offered by this Prospectus may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. The Exchange has conditionally accepted the listing of the Corporation's Common Shares. Listing will be subject to the Corporation fulfilling all of the listing requirements of the Exchange.

### **Summary of Risk Factors**

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

Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior share issuances without deduction of selling and related expenses) of \$0.02 or 20% per Common Share based on the gross proceeds of the Offering, before deduction of selling commissions or related expenses of the Offering. See "Dilution".

The Corporation was only recently incorporated and does not currently own any assets other than cash. The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction that requires Exchange approval and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval of the Corporation's shareholders. The Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions. Accordingly, there can be no assurance that the Corporation will successfully complete any Qualifying Transaction. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition. Where the investment or acquisition is financed by the issuance of Common Shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer significant dilution to their investment.

Investors must rely solely on the expertise of the Corporation's management for any possible return on their investment. The directors and officers of the Corporation will only devote a portion of their time to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the opportunities available to, and the activities of, the Corporation.

The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months from the date of listing. Neither the Exchange nor any securities regulatory authority passes upon the merits of a proposed Qualifying Transaction.

There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such Persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

The Corporation will be in competition with other corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "Capitalization", "Business of the Corporation", "Directors, Officers and Promoters", "Use of Proceeds", "Conflicts of Interest" and "Risk Factors".

### **Maximum Investment**

This Offering is subject to the CPC Policy and the securities laws of the Provinces of British Columbia, Alberta and Ontario. Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2% of the total Common Shares offered under this Prospectus or 80,000 Common Shares. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4% of the total number of Common Shares offered under this Prospectus or 160,000 Common Shares. 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.

Canaccord Genuity Corp., as Agent, conditionally offers these Common Shares, on a commercially reasonable efforts basis, if, as and when subscriptions are accepted by the Corporation, subject to prior sale, in accordance with the terms and conditions of the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Woods & Company, Barristers & Solicitors, on behalf of the Corporation and by Miller Thomson LLP on behalf of the Agent.

### **CANACCORD GENUITY CORP.**

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## GLOSSARY

The following is a glossary of capitalized and other terms & abbreviations used frequently throughout this Prospectus.

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

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

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

A Company is "controlled" by a Person if:

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

A Person beneficially owns securities that are beneficially owned by:

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

"**Agency Agreement**" means the agency agreement dated as of January 25, 2019 between the Corporation and the Agent.

"**Agent**" means Canaccord Genuity Corp.

"**Agent's Warrants**" means the warrants issued by the Corporation to the Agent on completion of the Offering wherein the Agent will have the right to purchase 10% of the number of Common Shares sold pursuant to the Offering exercisable at the Offering Price, expiring 24 months from the Listing Date. For details see "Options to Purchase Securities".

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

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

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

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

"**Associate**" when used to indicate a relationship with a Person or Company, means

- (a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
  - (b) any partner of the Person or Company,
  - (c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,
  - (d) in the case of a Person, a relative of that Person, including
    - (i) that Person's spouse or child, or
    - (ii) any relative of the Person or of his spouse who has the same residence as that Person;
- but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding Company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding Company.

"**Closing**" means the satisfaction of all conditions, and the completion of all steps and documents as required or contracted in order to effect the completion of the Offering.

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

"**Common Shares**" or "**Shares**" means common shares in the capital of the Corporation.

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

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

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

"**Corporation**" means Alphanco Venture Corp., a corporation incorporated under the laws of the Province of British Columbia.

"**CPC**" means a corporation:

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

"**CPC Policy**" means Policy 2.4 of the Corporate Finance Manual of the Exchange, as may be amended from time to time.

"**Discounted Market Price**" means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share, in the case of the Corporation while it is a CPC, of \$0.10):

Closing Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

"**Escrow Agent**" means Odyssey Trust Company, Vancouver, British Columbia.

"**Escrow Agreement**" means the escrow agreement among the Corporation, the Escrow Agent and the principal shareholders of the Corporation dated January 21, 2019.

"**Exchange**" or the "**TSX-V**" means the TSX Venture Exchange Inc.

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

"**Final Receipt**" means written confirmation of acceptance for filing of this Prospectus received from each of the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission.

"**GST**" means the Canadian Goods and Services Tax.

"**Initial Public Offering**" or "**IPO**" means a transaction that involves an issuer issuing securities from its treasury pursuant to its first prospectus that has received a Final Receipt from the applicable regulatory authorities.

"**Incentive Stock Options**" means stock options to be issued to directors, officers and consultants of the Corporation pursuant to the terms of section 7 of the CPC Policy exercisable at prices and within time frames consistent with the terms of the CPC Policy and regulatory requirements.

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

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

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

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

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

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

**"Market Price"** means the last closing price of the Corporation's Common Shares on the Exchange before prescribed notice of an issuance of securities by the Corporation subject to certain exceptions as set out in the Policies of the Exchange.

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

**"Member's 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.

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

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

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

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

**"Offering"** means the offering of Common Shares in accordance with the terms of this Prospectus.

**"Person"** means a Company or individual.

**"Policy"** means a policy issued by the Exchange.

**"Principal"** means

- (a) a Person or Company who acted as a promoter of the issuer within two years, or their respective Associates or Affiliates, before the date of the IPO Prospectus or Final Exchange Bulletin;

- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO Prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a Person or Company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a 10% holder – a Person or Company that
  - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
  - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

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

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

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

**"Pro Group" means:**

- (a) Subject to subparagraphs (b), (c) and (d) and (e), "Pro Group" shall include, either individually or as a group:
  - (i) the Member;
  - (ii) employees of the Member;
  - (iii) partners, officers and directors of the Member;
  - (iv) Affiliates of the Member; and
  - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) The Member may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Member determines that:

- (i) the Person is an affiliate or associate of the Member acting at arm's length of the Member;
- (ii) the associate or affiliate has a separate corporate and reporting structure;
- (iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and
- (iv) the Member maintains a list of such excluded Persons.

**"Promoter"** has the meaning prescribed in section 1(1) of the *Securities Act* (British Columbia) and in the context of a CPC generally means a person who takes the initiative in founding, or organizing the business of the CPC.

**"Prospectus"** means this disclosure document of the Corporation required to be prepared in connection with a public offering of Common Shares, which document complies with the form and content requirements of a prospectus as promulgated under applicable securities laws.

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

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

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

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

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

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

**"TSX"** means the Toronto Stock Exchange.

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

## SUMMARY OF PROSPECTUS

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

### **Business of the Corporation**

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Until the completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimal amount of cash. See "Business of the Corporation".

### **Offering**

A total of 4,000,000 Common Shares are being offered under this Prospectus at a price of \$0.10 per Common Share for gross proceeds of \$400,000. This Offering is being made on a commercially reasonable efforts basis by the Agent.

In addition, the Corporation will, effective on Closing of the Offering, grant the Agent's Warrants to the Agent, that will provide the Agent with the right to purchase 10% of the number of Common Shares sold pursuant to the Offering that will be equal to 400,000 Common Shares at a price of \$0.10 per Common Share exercisable for a period of 24 months from the Listing Date, which Agent's Warrants are qualified for distribution under this Prospectus.

The Corporation also intends to grant Incentive Stock Options to its directors and officers to purchase in aggregate 670,000 Common Shares, which will be exercisable at \$0.10 per Common Share for a period of five years from the Closing Date which options are qualified for distribution under this Prospectus. See "Plan of Distribution".

### **Use of Proceeds**

The net proceeds to the Corporation after deduction of the Agent's cash commission, but before deduction of the expenses of the Offering, the Agent's administration fee and the expenses of the Agent, will be \$360,000. The net proceeds of this Offering together with the \$135,000 raised from a seed financing will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as otherwise provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating businesses or assets. See "Use of Proceeds". Until completion of the Qualifying Transaction, neither the Corporation nor any party on behalf of the Corporation will engage the services of any person to provide investor relation activities or market making services.

### **Directors and Officers**

The directors and officers of the Corporation – and the positions held by them – are as follows. See "Directors, Officers and Promoters".

Joanne Yan - Chief Executive Officer, Chief Financial Officer, Promoter and Director  
Michael H. Woods - Director & Corporate Secretary  
Hannah Wu - Director

## **Escrow**

All of the currently issued and outstanding Common Shares of the Corporation, being 2,700,000 Common Shares have been deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin. See "Escrowed Securities".

## **Risk Factors**

**There is currently no established market for the Common Shares. Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development.**

The Corporation was only recently incorporated and has no active business or assets other than 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 Corporation and can afford to risk the loss of their entire investment.

The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which the directors and officers of the Corporation will be subject to in connection with the operations of the Corporation.

Assuming completion of the Offering, an investor will suffer an immediate dilution of \$0.02 or 20% per Common Share. An acquisition financed by the issuance of Common Shares from treasury could result in a change in control of the Corporation and may cause the shareholder's interest in the Corporation to be further diluted. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares.

Until Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

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

See "Risk Factors" below for more detailed information on the risks of an investment in the Corporation's Common Shares.

## **CORPORATE STRUCTURE**

### **Name and Incorporation**

The full name of the Corporation is "**Alphanco Venture Corp.**"

The registered office and head office of the Corporation are located at 2110 28th Street, West Vancouver, British Columbia, Canada V7V 4M3.

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on August 1, 2018 under the name "Alphanco Venture Corp." with authorized capital of an unlimited number of Common Shares without par value. The Corporation has no subsidiaries.

## **BUSINESS OF THE CORPORATION**

### **Preliminary Expenses**

The Corporation has incurred approximately \$40,750 in preliminary expenses to date of which \$24,000 have been incurred since October 31, 2018 (the date of the most recent balance sheet included in this Prospectus) relating to professional fees and disbursements, filing fees, and taxes with respect to the requisite steps in proceeding with the Offering. Certain proceeds from the Offering may be used to satisfy the obligations of the Corporation related to this Offering, including the expenses of its auditors, legal counsel, and the Agent's legal counsel. See "Use of Proceeds" for total estimated expenses to completion of the Offering.

### **Proposed Operations until Completion of a Qualifying Transaction**

The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not conducted any commercial operations. The Corporation currently intends to pursue a Qualifying Transaction in the financial services industry but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following Completion of the Qualifying Transaction.

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

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

### **Method of Financing**

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

### **Criteria for a Qualifying Transaction**

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

The potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. Approval of acquisitions will be made by the board of directors. The board of directors will examine proposed acquisitions having regard to, among other things, the (a) projected rate of return;

(b) risk of loss; (c) prospects for growth; (d) skill of the management team; and (e) basic financing considerations, including the costs of the acquisition and the prospect of obtaining debt or equity financing to complete the acquisition.

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

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

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

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

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

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

### **Potential Qualifying Transaction**

The Corporation has not, as of the date hereof, entered into negotiations respecting a potential Qualifying Transaction.

### **Initial Listing Requirements**

The Resulting Issuer must satisfy the Exchange's initial listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under Policy 2.1 and the related Policies of the Exchange.

### **Trading Halts, Suspension and Delisting**

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

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

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

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

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

### **Refusal of Qualifying Transaction**

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

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by
  - (i) a member firm of the Exchange;
  - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such member firm; and
  - (iii) associates of any such Person,

collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;

- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;
- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

## USE OF PROCEEDS

### Proceeds and Principal Purposes

The proceeds from the sale of Common Shares and the principal uses of such proceeds by the Corporation are as follows:

- (a) gross proceeds of \$135,000 from the sale of 2,700,000 Common Shares at \$0.05 per Common Share prior to the date of this Prospectus;
- (b) gross proceeds of \$400,000 to be received by the Corporation from the sale of the Common Shares distributed under this Prospectus;
- (c) approximate expenses and costs of \$130,000 incurred to date and expected to be incurred in connection with the Offering. Such expenses include the Agent's commission, the Agent's administration fee, regulatory fees, legal fees, audit fees, transfer agent fees, SEDAR fees, and general expenses; and
- (d) assuming the maximum proceeds are raised, the estimated funds, net of expenses and costs, to be available to the Corporation are approximately \$405,000.

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

PROCEEDS AND EXPENSES	AMOUNT
Gross cash proceeds raised prior to this Offering <sup>(1)</sup>	\$ 135,000
Gross cash proceeds to be raised pursuant to this Offering <sup>(2)</sup>	400,000
Estimated expenses and costs relating to raising the seed share proceeds <sup>(3)</sup>	-
Estimated expenses and costs relating to this Offering <sup>(4)</sup>	(130,000)
<b>Estimated funds available on completion of the Offering</b>	<b>405,000</b>
Estimated general and administrative expenses until Completion of the Qualifying Transaction <sup>(5)</sup>	(80,000)
<b>Estimated Funds available for identifying and evaluating assets or business prospects<sup>(6)</sup></b>	<b>\$325,000</b>

Notes:

(1) See "Prior Sales"

(2) In the event the Agent exercises the Agent's Warrants, or the directors or officers exercise their options, there will be available to the Corporation a maximum of an additional \$107,000 which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.

(3) No issue costs have been allocated toward the issuance of the seed shares. See "Financial Statements".

(4) Includes listing fees, Agent's commission, Agent's administration fee, legal fees, audit fees and expenses.

(5) Such expenses cover the maximum 24 month period that the Corporation has to complete a Qualifying Transaction, and includes estimated professional fees, office overhead, filing fees and due diligence expenses.

- (6) *In the event that the Corporation enters into an Agreement in Principle prior to spending the \$325,000 available for identifying and evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.*

Until required for the Corporation's purposes, the proceeds of 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 any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

### **Permitted Use of Funds**

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

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

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

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

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

### **Restrictions on Use of Proceeds**

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

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

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

### **Private Placements for Cash**

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

### **Prohibited Payments to Non Arm's Length Parties**

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

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

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

Notwithstanding the above, the Corporation may reimburse a Non Arm's Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that if the lawyer receiving the remuneration is a sole practitioner, or a member of an association of sole practitioners, the lawyer is not a Promoter of the CPC and if the legal services are provided by a firm of lawyers, no member of the law firm is a Promoter or owns greater than 10% of the Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "Permitted Use of Funds".

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

## **PLAN OF DISTRIBUTION**

### **Agency Agreement and Agent's Compensation**

Pursuant to the Agency Agreement dated as of January 25, 2019 between the Corporation and the Agent, the Corporation has appointed the Agent as its agent to offer for sale on a commercially reasonable efforts basis to the public of 4,000,000 Common Shares as provided in this Prospectus, at a price of \$0.10 per Common Share, for gross proceeds of \$400,000, subject to the terms and conditions contained in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds of the Offering. In addition, the Corporation will pay to the Agent an administration fee of \$15,000 and will reimburse the Agent for its reasonable legal fees and expenses.

The Corporation has also agreed to grant the Agent's Warrants to the Agent which constitute nontransferable options to purchase the equivalent of 10% of the aggregate number of Common Shares sold pursuant to the Offering, being 400,000 Common Shares, at a price of \$0.10 per Common Share which Agent's Warrants may be exercised for a period of 24 months from the Listing Date. The Agent's Warrants are qualified for distribution under this Prospectus. Not more than 50% of the Common Shares received on the exercise of the Agent's Warrants may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as provided in the Agency Agreement.

### **Commercially Reasonable Efforts Offering**

The total Offering consists of 4,000,000 Common Shares for gross proceeds of \$400,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2% of the Offering, being 80,000 Common Shares. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates or Affiliates of that purchaser is 4% of the Offering, being 160,000 Common Shares. The funds received from the Offering will be held by the Agent and will not be released until \$400,000 has been received by the Agent. Minimum subscriptions of 4,000,000 Common Shares for \$400,000 must be raised within 90 days from the date of the receipt for the final prospectus, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

### **Other Securities To Be Distributed**

The Corporation also proposes to grant Incentive Stock Options to the directors and officers of the Corporation to purchase 670,000 Common Shares of the Corporation as at the Closing of the Offering in accordance with the policies of the Exchange, which options and the Common Shares to be issued upon the due exercise thereof, are qualified for distribution under this Prospectus. The options are expected to be granted on the Closing Date and will be exercisable at \$0.10 per Common Share for five years from the Closing Date.

### **Determination of Price**

The offering price per Common Share was determined by negotiation between the Corporation and the Agent.

### **Listing Application**

The Exchange has conditionally accepted the listing of the Corporation's Common Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

### **Subscriptions by and Restrictions on the Agent**

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

The aggregate number of Common Shares permitted to be owned directly or indirectly by such participants is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date.

### **Restrictions on Trading**

Other than the initial distribution of the Common Shares pursuant to this Prospectus, the grant of the Agent's Warrants and the grant of Incentive Stock Options to the directors, and officers of the Corporation, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary Prospectus is issued by the Commission 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 THE SECURITIES DISTRIBUTED**

The Corporation is authorized to issue an unlimited number of Common Shares without par value, of which 2,700,000 Common Shares are issued and outstanding as fully paid and non-assessable in the capital of the Corporation as at the date hereof. There are no other classes of shares in the capital of the Corporation.

The Corporation, through the Agent, proposes to distribute 4,000,000 Common Shares pursuant to this Prospectus. The holders of Common Shares are entitled to one vote per Common Share at meetings of the shareholders of the Corporation, are entitled to dividends, if, as and when declared by the board of directors, and, upon liquidation, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

400,000 Common Shares will be reserved for issuance pursuant to the Agent's Warrants and 670,000 Common Shares are expected to be reserved pursuant to Incentive Stock Options to be granted to the directors and officers of the Corporation. See "Plan of Distribution" and "Options to Purchase Securities". See also "Escrowed Securities".

## **CAPITALIZATION**

The following table sets out the capitalization of the Corporation as at the date hereof before and after giving effect to the Offering:

<b>Designation of Securities</b>	<b>Amount authorized</b>	<b>Amount outstanding as of the date of the most recent balance sheet contained in the Prospectus<sup>(1)</sup></b>	<b>Amount outstanding as of a date within 30 days of the Prospectus</b>	<b>Amount to be outstanding upon completion of Offering</b>
Common Shares	Unlimited	2,700,000 (\$135,000)	2,700,000 (\$135,000)	6,700,000 <sup>(2)(3)</sup> (\$535,000)

*Notes:*

- (1) *As at the date of the Corporation's most recent balance sheet (October 31, 2018), the Corporation had not commenced commercial operations.*
- (2) *The above figures do not include Common Shares reserved for issuance upon the exercise of the Agent's Warrants or the Incentive Stock Options. Up to 400,000 Common Shares will be reserved for issuance pursuant to the Agent's Warrants. 670,000 Common Shares are expected to be reserved for issuance pursuant to Incentive Stock Options.*
- (3) *The proceeds from the sale of the Offering will be \$400,000 before deducting the Agent's commission, administration fee and expenses and the fees, expenses and other costs of the Offering estimated at \$130,000.*

### **OPTIONS TO PURCHASE SECURITIES**

#### **Agent's Warrants**

As of the date hereof, the Corporation has agreed to grant the Agent's Warrants to the Agent to purchase the equivalent of 10% of the aggregate number of Common Shares sold pursuant to the Offering, as follows:

<b>Warrant Holder</b>	<b>Number of Agents Warrants Each Carrying the Right to Purchase One Common Share</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Canaccord Genuity Corp.	400,000	\$0.10 per Common Share	24 months after the Listing Date

As of the date hereof, the Corporation intends to grant Incentive Stock Options to the directors and officers of the Corporation following the Closing of the Offering, as follows:

<b>Optionee</b>	<b>Number of Common Shares Optioned<sup>(1)</sup></b>	<b>Exercise Price</b>	<b>Expiry Date<sup>(1)</sup></b>
Joanne Yan	335,000	\$0.10 per Common Share	Five years after the Closing Date
Michael Woods	285,000	\$0.10 per Common Share	Five years after the Closing Date
Hannah Wu	50,000	\$0.10 per Common Share	Five years after the Closing Date
<b>Total:</b>	<b>670,000</b>		

*Note:*

- (1) *The Incentive Stock Options to purchase 670,000 Common Shares which the Corporation proposes to grant to the directors and officers of the Corporation upon the Closing of the Offering are qualified for distribution pursuant to the Prospectus.*

The Corporation has adopted the stock option granting, pricing, exercise and other requirements of the Exchange as largely contained in section 7 of the CPC Policy. When the Incentive Stock Options are granted they will be granted pursuant to such terms. See "Stock Option Terms" below.

## Stock Option Terms

The Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the closing of the IPO, exercisable for a period of up to 10 years from the Closing Date. The exercise price of options to purchase Common Shares will be the greater of the IPO Common Share price and the Discounted Market Price. The number of Common Shares reserved for issuance to any individual optionee will not exceed five percent (5%) of the issued and outstanding Common Shares as at the closing of the IPO and the number of Common Shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares as at the closing of the IPO. No options may be granted to investor relations service providers. Subject to the expiry date of the options held, where an optionee ceases to be a director, officer, or technical consultant, the period in which options held by such an optionee may be exercised is the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the options may be exercised within 6 months after such death which in the discretion of the Board of Directors of the Corporation can be extended to 12 months. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

After the Corporation has completed a Qualifying Transaction, the Corporation expects to adopt a rolling 10% stock option plan consistent with Policy 4.4 of the Exchange in modification of the above option terms.

## DIVIDEND POLICY

No dividends have been paid on any of the Common Shares of the Corporation since the date of its incorporation and it is not contemplated that any dividends will be paid in the foreseeable future.

## PRIOR SALES

Since the date of incorporation of the Corporation, 2,700,000 Common Shares have been allotted and issued as follows:

Date	Number of Common Shares <sup>(1)</sup>	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
August 1, 2018	1	\$0.05	\$0.05	\$0.05 Cash
September 12, 2018	1,999,999	\$0.05	\$99,999.95	\$99,999.95 Cash
September 17, 2018	700,000	\$0.05	\$35,000	\$5,000 Cash

Note:

(1) All above Common Shares are escrowed. See "Escrowed Securities".

## ESCROWED SECURITIES

### Securities Escrowed Prior to the Completion of the Qualifying Transaction

All 2,700,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share (see "Prior Sales"), all Common Shares that may be acquired by Non Arm's Length Parties of the Corporation either under the Offering or otherwise from treasury prior to Completion of the Qualifying Transaction and

all Common Shares acquired by members of the Pro Group prior to this Offering will be deposited with the Escrow Agent under the Escrow Agreement.

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

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

The following table sets out, as at the date hereof, the number of Common Shares of the Corporation which are held in escrow:

Name and Municipality of Residence of Shareholder	Common Shares Owned	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 Offering <sup>(1)</sup>
Joanne Yan Vancouver, BC	900,000	900,000	33%	13.4%
Michael Woods West Vancouver, BC	900,000	900,000	33%	13.4%
Hannah Wu Toronto, ON	200,000	200,000	7%	3%
Jackie Cheung Vancouver, BC	700,000	700,000	26%	10.4%
<b>TOTAL:</b>	<b>2,700,000</b>	<b>2,700,000</b>		

Note:

(1) *The percentages in this column are calculated on an undiluted basis (do not include the exercise of any proposed stock options, warrants or other convertible securities) and on the basis that the directors do not purchase any of the Common Shares in the Offering. See "Options to Purchase Securities".*

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

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

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

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

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

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

### **Escrowed Securities On Qualifying Transaction**

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

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

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an

18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

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

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

### PRINCIPAL SHAREHOLDERS

The following table lists those Persons who own 10% or more of the issued and outstanding Common Shares of the Corporation ("principal shareholders") as at the date hereof:

Name and Municipality of Residence of Shareholder	Type of Ownership	Number of Common Shares	Percentage of Common Shares Prior to Giving Effect to the Offering	Percentage of Common Shares After Giving Effect to the Offering <sup>(1)</sup>
Joanne Yan Vancouver, British Columbia	Direct	900,000	33%	13.4%
Michael Woods West Vancouver, British Columbia	Direct	900,000	33%	13.4%
Jackie Cheung Vancouver, British Columbia	Direct	700,000	26%	10.4%

Notes:

- (1) *The figures given in this column are on an undiluted basis. On a fully diluted basis after giving effect to the Offering, the exercise of the Agent's Warrants and the exercise of the Incentive Stock Options, Joanne Yan would own 1,235,000 Common Shares or 15.9% of the issued and outstanding Shares of the Corporation, Michael Woods would own 1,185,000 Common shares or 15.3% of the issued and outstanding Shares of the Corporation, and Jackie Cheung would own 700,000 Common shares or 9% of the issued and outstanding Shares of the Corporation.*

## DIRECTORS, OFFICERS AND PROMOTERS

### Name, Address, Occupation and Security Holdings

The board of directors of the Corporation consists of three (3) persons and there are two executive officers. Each director and officer holds office until the next annual meeting of shareholders or until his or her successor is elected or appointed. An audit committee has been established as a subcommittee of the board of directors. Prescribed information regarding the Corporation's directors and officers is as follows:

Name, Age, Municipality of Residence & Position with the Corporation	Director or Officer Since	Number of Common Shares Owned	Principal Occupation
Joanne Yan <sup>(1)</sup> , 61, Vancouver, British Columbia Chief Executive Officer, Chief Financial Officer and Director	August, 2018	900,000	President of Joyco Consulting Services Inc., a wholly owned private company, providing business consulting services.
Michael Woods <sup>(1)</sup> , 63, West Vancouver, British Columbia Corporate Secretary Director	August, 2018	900,000	Principal lawyer of Woods & Company, Barrister and Solicitor specializing in securities law.
Hannah Wu <sup>(1)</sup> , 38, Toronto Ontario Director	August, 2018	200,000	President of Anchor Point Research Capital, providing consulting services to high-net-worth individuals for their tax, investment, and financial planning

(1) *Member of the Audit Committee of the Corporation.*

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

The directors and officers of the Corporation, as a group, own 2,000,000 Common Shares, being 74.1% of the issued Common Shares of the Corporation as of the date hereof, or approximately 29.9% of the issued and outstanding Shares after giving effect to the Offering. For particulars of the shareholdings of the directors and officers, see "Principal Shareholders".

Background information with respect to each member of management of the Corporation, including the individual's principal occupation or employment during the five years prior to the date of this prospectus, is as follows:

#### ***Joanne Yan, Age 61, Chief Executive Officer, Chief Financial Officer, Promoter and Director***

As the CEO and CFO of the Corporation, Ms. Yan is the lead member of management of the Corporation. Ms. Yan has extensive public company experience having been a leading director, a governance committee chair and executive officer of numerous companies listed on the TSX Venture Exchange and the Toronto Stock Exchange. Ms. Yan estimates that she will devote 10% to 15% of her time to the business of the Corporation to effectively fulfill her duties thereto. Since September, 1994, Ms. Yan has been President of Joyco Consulting Services Inc., a wholly owned private Vancouver, BC company, providing business consulting services particularly with respect to mergers and acquisitions and related public and private

financings. Ms. Yan is currently a director of TSX listed Hanwei Energy Services Corp., which manufactures and sells high pressure fibreglass reinforced plastic pipes for international oil & gas and infrastructure industries in addition to producing oil & gas in Canada. She is also a director of Sunshine Oilsands Ltd., a Hong Kong Stock Exchange listed company. On September 13, 2018, she became a Director of TSX-V listed Skychain Technologies Inc. (formerly Green Valley Mine Incorporated) (trading symbol SCT) which is a cryptocurrency miner. From April 2016 until July, 2018, Ms. Yan was the CEO and CFO of TSX-V listed Avanco Capital Corp. (now Hill Street Beverage Company Inc. after completing its qualifying transaction in July, 2018, trading symbol BEER). From June 2006 until November, 2013, Ms. Yan was the President and a director of TSX-V listed Brazil Resources Inc. (formerly, Brazilian Gold Corp.), a resource exploration company with international scope (trading symbol BRI).

***Michael H. Woods, Age 63, Corporate Secretary and Director***

Mr. Woods is the Corporate Secretary of the Corporation. Mr. Woods obtained a Bachelor of Laws from the University of British Columbia in 1989. Mr. Woods estimates that he will devote 5% of his time to the business of the Corporation to effectively fulfill his duties as a director of the Corporation. Mr. Woods is a lawyer who works as a sole practitioner specializing in securities law at his firm, Woods & Company, in West Vancouver and Vancouver, British Columbia. Mr. Woods has been practicing law for the past 28 years, most of which has involved acting for publicly listed companies. From April 2016 until July, 2018, Mr. Woods was the Corporate Secretary (and in September, 2017 was appointed a Director) of Avanco Capital Corp. (now Hill Street Beverage Company Inc. after completing its qualifying transaction in July, 2018, trading symbol BEER).

***Hannah Wu, Age 38, Director***

Ms. Wu is a Director of the Corporation. Ms. Wu obtained a bachelor degree in Economics from the University of Winnipeg in 2007, subsequently obtained her Chartered Professional Accountant (CPA, CGA) designation in 2012, and in November, 2018 obtained her CFA designation. Ms. Wu has more than 10-years experiences in accounting, finance, and financial services. She started her career as an Accounting Analyst at Richardson International in 2008. Then from April, 2013 to September, 2015 she worked in connection with the President’s Club Investment Letter as an Equity Analyst at Nimble Capital. In 2015 she founded and is the President of Anchor Point Research Capital, providing consulting services to high-net-worth individuals for their tax, investment, and financial planning. Ms. Wu estimates that she will devote 5% of her time to the business of the Corporation to effectively fulfill her duties as a director of the Corporation.

**Other Reporting Issuer Experience**

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

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Joanne Yan	Hanwei Energy Services Corp.	TSX	Director	October 2005	Present
			CEO & CFO		December 2006
	Skychain Technologies Inc.	TSX-V	Director	September 2018	Present
	Hill Street Beverage Company Inc. (formerly Avanco Capital Corp.)	TSX-V	Director, CEO & CFO	April 2016	July, 2018
New Era Minerals Inc.	TSX-V	Director	June 2014	April 2016	

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Archer Petroleum Corp.	TSX-V	Director	April 2013	October 2014
	Hanfeng Evergreen Inc.	TSX	Director	February 2014	August 2014
				June 2004	August 2013
	Grande West Transportation Group Inc.	TSX-V	Director	November 2013	May 2014
Brazil Resources Inc. (formerly Brazilian Gold Corp.)	TSX-V	President & Director	June 2006	November 2013	
Michael Woods	P&P Ventures Inc.	TSX-V	CFO & Director	March 2018	Present
			CEO	March 2018	June 2018
	Hill Street Beverage Company Inc. (formerly Avanco Capital Corp.)	TSX-V	Director	September 2017	July 2018
			Corporate Secretary	April 2016	July 2018
	Go Cobalt Mining Corp.	CSE	Corporate Secretary	May 2017	Present
	Bullman Minerals Inc.	TSX-V	Corporate Secretary	July 2013	Present
	Flow Metals Corp. (reporting issuer only)		Corporate Secretary	July 2018	Present

### Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below with respect to Joanne Yan, to the Corporation's knowledge no director, officer, insider or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within 10 years before the date of the Prospectus, has been a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Having resigned as a director of Hanfeng Evergreen Inc. ("**Hanfeng**") in August 2013, and in an effort to assist Hanfeng during a financial and management crisis, Joanne Yan consented to being re-appointed a director of Hanfeng on February 24, 2014. Prior to the date of this re-appointment, on February 19, 2014, the Ontario Securities Commission (the "**OSC**") issued a temporary cease-trade order in respect of the shares of Hanfeng as a result of Hanfeng's failure to meet its reporting obligations under applicable securities laws and, subsequently on March 3, 2014, the OSC issued a permanent cease-trade order in respect of the shares of Hanfeng. The securities commissions of British Columbia, Quebec, Manitoba and Alberta issued cease-trade orders in respect of the shares of Hanfeng in February, March, April and June 2014, respectively. On January 15, 2014, the TSX suspended trading in Hanfeng's shares pending clarification of Hanfeng's affairs and, subsequently on June 9, 2014, the TSX delisted Hanfeng's shares as a result of the failure of Hanfeng to meet the continued listing requirements of the TSX. On

August 20, 2014, Ernst & Young Inc. was appointed by the Ontario Superior Court of Justice as receiver and manager over all of the assets of Hanfeng. On this date, Joanne Yan resigned as a director of Hanfeng.

### **Penalties or Sanctions**

To the Corporation's knowledge, no director, officer, insider, or promoter or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

To the Corporation's knowledge no director, officer insider, or promoter or a shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person has, within the ten years prior to the date of the Prospectus, as applicable become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

### **Conflicts of Interest**

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

### **Promoter**

Joanne Yan may be considered to be the Promoter of the Corporation in that she took the initiative in organizing the business of the Corporation. As of the date hereof, Ms. Yan owns 900,000 Common Shares and will be granted 335,000 Incentive Stock Options upon the Closing of the Offering. See "Principal Shareholders", "Prior Sales" and "Options to Purchase Securities".

## **EXECUTIVE COMPENSATION**

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

- (a) remuneration, which includes but is not limited to:
  - (i) salaries;
  - (ii) consulting fees;
  - (iii) management contract fees or directors' fees;
  - (iv) finders fees;

- (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

Michael Woods, Director and Corporate Secretary, is providing legal services as a sole practitioner through Woods & Company and is being compensated by the Corporation with respect to legal services required by the Corporation in carrying out its IPO and seeking a listing on the Exchange. Mr. Woods owns 900,000 common shares of the Corporation and will be granted 285,000 Incentive Stock Options upon the Closing of the Offering.

The Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"), which reimbursements, since incorporation, have totaled the aggregate sum of \$Nil. No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Corporation will also be granted stock options as more particularly described under the heading "Options to Purchase Securities".

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

## **DILUTION**

Purchasers of Common Shares under this Prospectus will suffer an immediate dilution of \$0.02, or 20%, per Common Share on the basis of there being 6,700,000 Common Shares issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this Prospectus and from sales of securities prior to filing this Prospectus, without deduction of commissions or related expenses incurred by the Corporation.

## **RISK FACTORS**

A purchase of Common Shares of the Corporation is highly speculative, involving a number of substantial risks. The list below outlines material risk factors, which list is not exhaustive, that should be considered by persons considering purchasing the Common Shares:

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction. See "Corporate Structure", "Business of the Corporation" and "Proposed Operations until Completion of a Qualifying Transaction";
- (b) investment in the Common Shares offered by the Prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time. See "Directors, Officers and Promoters" and "Conflicts of Interest";
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to the investor's investment of 20% or \$0.02 per Common Share;

- (e) there can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. See "Proposed Operations until Completion of a Qualifying Transaction";
- (g) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval. See "Filings and Shareholder Approval of a Non Arm's Length Qualifying Transaction";
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction. See "Business of the Corporation" and "Trading Halts, Suspension and Delisting";
- (l) trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required. See "Trading Halts, Suspension and Delisting";
- (m) the Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing. See "Trading Halts, Suspension and Delisting";
- (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 Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which

dilution may be significant and which may also result in a change of control of the Corporation. See "Method of Financing"; and

- (q) subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan. See "Permitted Use of Funds".

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

### **LEGAL PROCEEDINGS**

The Corporation is not currently a party to any actual or pending material legal proceedings to which the Corporation is or is likely to be a party or of which any of its assets are or are likely to be subject. Management of the Corporation is not currently aware of any legal proceedings contemplated against the Corporation.

### **RELATIONSHIP BETWEEN CORPORATION AND AGENT**

Neither the Corporation nor any of its directors or officers is a "connected issuer" or a "related issuer" as those terms are defined in National Instrument 33-105, of the Agent. No member of the Pro Group related to the Agent will hold any Common Shares upon completion of the Offering.

### **RELATIONSHIP BETWEEN THE CORPORATION AND PROFESSIONAL PERSONS**

Michael Woods, a sole legal practitioner and solicitor for the Corporation, is a Director and the Corporate Secretary of the Corporation. Mr. Woods directly owns 900,000 Common Shares and will be granted 285,000 Incentive Stock Options upon the Closing of the Offering, which represents the sole beneficial interest, direct or indirect, in securities or properties of the Corporation or of an associate or affiliate of the Corporation, held by a professional person as referred to in the CPC Policy, a responsible solicitor or any partner of a responsible solicitor's firm. No other professional person is expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or a promoter of the Corporation or of an associate or affiliate of the Corporation.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The directors and officers have acquired a total of 2,000,000 Common Shares of the Corporation and a total of 670,000 Common Shares are expected to be reserved for the management of the Corporation pursuant to Incentive Stock Options to be granted following Closing of the Offering. See "Options to Purchase Securities".

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

#### **Auditors**

The auditors of the Corporation are Mao & Ying LLP with an address of 1488 – 1188 West Georgia Street, Vancouver, BC V6E 4A2.

#### **Transfer Agent and Registrar**

The transfer agent and registrar of the Corporation is Odyssey Trust Company, 323 - 409 Granville St Vancouver, BC V6C 1T2.

## **MATERIAL CONTRACTS**

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

- (a) Agency Agreement between the Corporation and the Agent. See "Plan of Distribution".
- (b) Escrow Agreement between the Corporation, the Escrow Agent and Non Arm's Length Parties of the Corporation. See "Escrowed Securities".

Copies of these documents will be available for inspection at the registered office of the Corporation located at 2110 28th Street, West Vancouver, British Columbia, Canada V7V 4M3, during ordinary business hours while the Common Shares offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Mao & Ying LLP, if, as and when the Common Shares are listed on a "designated stock exchange" (as defined in the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder), the Common Shares are expected to be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan, deferred profit sharing plan, registered disability savings plan or a tax-free savings account ("**TFSA**"). Tier 1 and Tier 2 of the Exchange are currently designated stock exchanges for these purposes. Notwithstanding the foregoing, the annuitant or holder of an RRSP, RRIF or TFSA, as the case may be, will be subject to a penalty tax on such Common Shares held in the RRSP, RRIF or TFSA if such Common Shares are a "prohibited investment" for purposes of section 207.01 of the Tax Act. The Common Shares will generally be a "prohibited investment" if the annuitant of the RRSP or RRIF or the holder of the TFSA either a) does not deal at arm's length with the Corporation for purposes of the Tax Act or b) has a "significant interest" (within the meaning of that term in the Tax Act) in the Corporation. Prospective subscribers that intend to hold Common Shares in an RRSP, RRIF or TFSA are urged to consult their own tax advisors as to whether such shares would constitute a "prohibited investment" in their particular circumstances.

## **OTHER MATERIAL FACTS**

There are no other material facts relating to the securities to be offered and not disclosed elsewhere in this Prospectus.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in the Provinces of British Columbia, Alberta and Ontario provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. The securities legislation of the said Provinces further provides a purchaser with remedies for rescission and damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province for the particulars of these rights or consult with a legal adviser.

## **FINANCIAL STATEMENTS**

Audited Financial Statements of the Corporation for the 3 month period ended October 31, 2018 are attached. The Company has established July 31 as its financial year end.

**ALPHANCO VENTURE CORP.**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON AUGUST 1, 2018  
TO OCTOBER 31, 2018**

# Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Alphanco Venture Corp.**

We have audited the accompanying financial statements of **Alphanco Venture Corp.** (the "Company"), which comprise the statement of financial position as at October 31, 2018, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation on August 1, 2018 to October 31, 2018, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2018, and its financial performance and cash flows for the period from incorporation on August 1, 2018 to October 31, 2018 in accordance with International Financial Reporting Standards.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes matter and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada  
January 25, 2019

*Mao & Ying LLP*

Chartered Professional Accountants

# ALPHANCO VENTURE CORP.

Statement of Financial Position

As at October 31, 2018

(Expressed in Canadian dollars)

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## ASSETS

### Current assets

Cash	\$	113,147
Prepaid expenses		16,500
	\$	129,647

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## LIABILITIES

### Current liabilities

Accounts payable and accrued liabilities	\$	3,979
		3,979

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## SHAREHOLDERS' EQUITY

Share capital (note 4)		135,000
Deficit		(9,332)
		125,668
	\$	129,647

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Nature of operations (note 1)

Approved on behalf of the Board

Director           "Michael Woods"            
Michael Woods

Director           "Joanne Yan"            
Joanne Yan

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

**ALPHANCO VENTURE CORP.**

Statement of Loss and Comprehensive Loss

From Incorporation on August 1, 2018 to October 31, 2018

(Expressed in Canadian dollars)

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<b>EXPENSES</b>		
Filing fees	\$	5,250
Legal fees (note 5)		3,979
Office		103
<b>Loss and comprehensive loss</b>	\$	<b>(9,332)</b>
<b>Basic and diluted loss per share</b>	\$	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>1,176,923</b>

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

**ALPHANCO VENTURE CORP.**

Statement of Changes in Equity

From Incorporation on August 1, 2018 to October 31, 2018

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Deficit	Total Shareholders' Equity
<b>Balance at August 1, 2018</b>	-	\$ -	\$ -	\$ -
Issue of common shares for cash	2,700,000	135,000	-	135,000
Loss for the period	-	-	(9,332)	(9,332)
<b>Balance at October 31, 2018</b>	2,700,000	\$ 135,000	\$ (9,332)	\$ 125,668

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

**ALPHANCO VENTURE CORP.**

## Statement of Cash Flow

From Incorporation on August 1, 2018 to October 31, 2018

(Expressed in Canadian dollars)

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<b>Cash provided by (used in):</b>	
<b>Operating activities</b>	
Net loss for the period	\$ (9,332)
Non-cash working capital items	
Prepaid expenses	(16,500)
Accounts payable	3,979
<hr/>	
<b>Net cash (used in) operating activities</b>	<b>(21,853)</b>
<hr/>	
<b>Financing activities</b>	
Proceeds from issuance of shares	135,000
<hr/>	
<b>Net cash flows provided by financing activities</b>	<b>135,000</b>
<hr/>	
<b>Change in cash position and cash at end of period</b>	<b>\$ 113,147</b>

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

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS**

Alphanco Venture Corp. (the "Company") is in the process of identifying, evaluating and negotiating an agreement to acquire an interest in a material asset or business. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on August 1, 2018. The Company is classified as a capital pool Corporation as defined by TSX Venture Exchange Policy 2.4 (the "Exchange Policy"). The Company proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated to negotiate an acquisition or participation subject to receipt of regulatory and shareholder approval, as applicable. Until Completion of a qualifying transaction (the "Qualifying Transaction") as defined by the Exchange Policy, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or \$210,000, will be used for purposes other than to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The Company's head office, principal address and registered and records office is 2110 – 28 Street, West Vancouver, B.C., V7V 4M3. The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

These financial statements of the Company are for the period from incorporation on August 1, 2018 to October 31, 2018 and were authorized for issue on January 25, 2019 by the directors of the Company.

**2. BASIS OF PRESENTATION**

***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"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting.

***Going Concern Assumption***

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be depending upon the extent to which it can successfully develop its business.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. From incorporation on August 1, 2018 to October 31, 2018, the Company had not commenced any operations, had no profits, had accumulated deficit of \$9,332 and expects to incur losses until it successfully developed its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION (continued)**

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Cash***

Cash consists of balances held at a large Canadian financial institution,

***Use of estimates***

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and disclosure of contingent assets and liabilities. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. The account specifically affected by estimates in these financial statements is deferred financing costs.

***Income taxes***

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Share Capital***

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

***Financial instruments***

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value, plus transaction costs.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Amortized cost
- Fair value through profit or loss ("FVTPL")
- Fair value through Other Comprehensive Income ("FVTOCI")

Financial assets are classified at FVTPL when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The Company has classified its cash as fair value through profit or loss. The Company's accounts payable and accrued liabilities are classified as amortized cost.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***New accounting standards issued but not yet effective***

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The following pronouncements are those that the Company considers most significant and are not intended to be a complete list of new pronouncements that effect the financial statements.

***IFRS 16 Leases***

Issued in January 2016, IFRS which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. As at October 31, 2018, the Company does not have any significant lease obligations.

**4. SHARE CAPITAL**

***Authorized***

Unlimited common shares without par value

***Issued***

In September 2018, the Company issued 2,700,000 common shares at a price of \$0.05 per share for gross proceeds of \$135,000.

***Escrowed shares***

Under the requirements of the TSX Venture Exchange, the 2,700,000 common shares issued as seed share will be held in escrow and if listed on Tier 2 of the Exchange, 10% of the escrowed shares will be released upon the issuance of the bulletin announcing the acceptance of the Corporation's Qualifying Transaction (the "Initial Release") and 15% thereafter 6, 12, 18, 24, 30, and 36 months from the date of such bulletin.

Under the Exchange Policy 50% of the escrow shares will be cancelled if the issuer does not complete a Qualify Transaction within 24 months.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**5. RELATED PARTY TRANSACTIONS**

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel for the period from incorporation on August 1, 2018 to October 31, 2018.

The Company has incurred legal fees of \$3,979 to an entity that is controlled by a director of the Company. This amount was also presented as accounts payable and accrued liabilities on the Company's statement of financial position as at October 31, 2018.

**6. CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

**7. Income tax**

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	\$
Loss before taxes	(9,332)
Canadian statutory tax rate	27.00%
Expected income tax (recovery)	(2,520)
Change in deferred tax asset not recognized	2,520
<b>Total income tax expense</b>	<b>-</b>

The unrecognized deductible temporary differences as at October 31, 2018 are comprised of the following:

	\$
Non-capital loss carryforwards	9,332
<b>Total unrecognized deductible temporary differences</b>	<b>9,332</b>

The Company has non-capital loss carryforwards of approximately \$100 which may be carried forward to apply against future income for Canadian tax purposes, subject to final determination by taxation authorities expiring in 2038.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at October 31, 2018, the Company's financial instruments consist of cash and accounts payable and accrue liabilities.

In management's opinion, the Company's carrying value of cash and accounts payable and accrued liabilities approximates the fair value due to the immediate or short-term maturity of this instrument.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company's financial instruments are exposed to the following risks:

***Credit Risk***

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined in Note 8 to the financial statements.

***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company is not exposed to price risk.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**ALPHANCO VENTURE CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period from Incorporation on August 1, 2018 to October 31, 2018  
(Expressed in Canadian dollars)

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

***Price Risk***

The Company is not exposed to price risk.

***Currency Risk***

As at October 31, 2018, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

**9. SUBSEQUENT EVENTS**

In September 2018, the Company entered into an agreement (the "Agreement") with Canaccord Genuity Corp. (the "Agent"). Pursuant to the Agreement, the Agent will conduct a public financing for the Company by way of an initial public offering of the Company's common shares to raise \$400,000 at a price of \$0.10 per share. The Agent will receive a cash commission of 10% of the gross proceeds raised and Agent's warrants equal to 10% of the number of common shares sold pursuant to the initial public offering at an exercise price of \$0.10 per share for a period of 24 months from the date the Company's common shares are listed for trading on the Exchange. The Agent will also receive an administration fee of \$15,000.

Upon completion of the initial public offering, the directors will effect a grant of stock options to the directors and officers of the Company to purchase up to a total of 670,000 Common Shares at an exercise price of \$0.10 per common share exercisable for a period of 5 years from the date of grant.

**CERTIFICATE OF THE CORPORATION**

**DATE:** January 25, 2019

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) “Joanne Yan”

Joanne Yan  
Chief Executive Officer, Chief Financial Officer and Director

**ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) “Joanne Yan”

Joanne Yan  
Chief Executive Officer, Chief Financial Officer  
and Director

(signed) “Michael Woods”

Michael Woods  
Corporate Secretary and Director

(signed) “Hannah Wu”

Hannah Wu  
Director

## **CERTIFICATE OF THE PROMOTER**

**DATE:** January 25, 2019

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) "Joanne Yan"

Joanne Yan

Promoter

**CERTIFICATE OF THE AGENT**

**DATE:** January 25, 2019

To the best of our knowledge, information and belief, the foregoing 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.

**CANACCORD GENUITY CORP.**

Per: (signed) "Frank Sullivan"  
Frank Sullivan  
Vice President, Investment Banking