

CITADEL ACQUISITION GROUP INC.
Start-Up Crowdfunding – Offering Document

Item 1: RISKS OF INVESTING

“No securities regulatory authority or regulator has assessed reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.”

Item 2: THE ISSUER

2.1 Provide the following information for the issuer:

(a) Full legal name as it appears in the issuer’s organizing documents,

Citadel Acquisition Group Inc.

(b) Head Office Address,

#704 - 595 Howe Street, Vancouver BC V6C 2T5

(c) Telephone,

604-961-9442

(d) Fax, And

N/A

(e) Website

N/A

2.2 Provide The Following Information For A Contact Person Of The Issuer Who Is Able To Answer Questions From Purchasers And Security Regulatory Authority Or Regulator:

(a) Full Legal Name (First Name, Middle Name and Last Name),

Konstantine Tsakumis

(b) Position Held With The Issuer,

Director

(c) Business Address,

#704 - 595 Howe Street, Vancouver BC V6C 2T5

(d) Business telephone,

604-961-9442

(e) Fax, and

N/A

(f) Business e-mail.

ktsakumis@kingsburton.com**Item 3: BUSINESS OVERVIEW**

3.1 Briefly explain, in a few lines, the issuer's business and why the issuer is raising funds.

The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing an acquisition. The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. Until completion of an acquisition, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing an acquisition.

A more detailed description of the Issuer's business is provided below.

Item 4: MANAGEMENT

4.1 Provide the information in the following table for each promoter, director, officer and control person of the issuer:

Full legal name municipality of residence and position at issuer	Principal occupation for the last five years	Number and type of securities of the issuer owned	Date securities were acquired and price paid for the securities	Percentage of the issuer's securities held as of the date of this offering document
Konstantine Tsakumis, Director, Richmond, BC	Corporate Development	1 Common Share	1 Common Share purchased on June 13, 2019 at \$1.00 per share	100%

Expertise, education, and experience that is relevant to the issuer's business

Experienced Corporate Development individual with a demonstrated history of working in the mining & metals industry. Skilled in Investor Relations, Venture Capital, Equities, Capital Markets, and Corporate Communications. Strong media and communication professional graduated from Canadian Securities Course.

4.2 State whether each person listed in item 4.1 or the issuer, as the case may be:

- (a) has ever, pled guilty to or been found guilty of:
 - (i) a summary conviction or indictable offence under the *Criminal Code* (R.S.C., 1985, c. C-46) of Canada **NO**
 - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction **NO**
 - (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein **NO**
 - (iv) an offence under the criminal legislation of any other foreign jurisdiction **NO**
- (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity **NO**
- (c) is or has been the subject of a bankruptcy or insolvency proceeding **NO**
- (d) is a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above. **NO**

Item 5: START-UP CROWDFUNDING DISTRIBUTION

5.1 Provide the name of the funding portal the issuer is using to conduct its start-up crowdfunding distribution.

Vested Technology Corp. (Vested.ca)

5.2 List the name of all the participating jurisdictions (Canadian province or territory) where the issuer intends to raise funds and make this offering document available.

BC, SK, MB, QB, NS, NB

5.3 Provide the following information with respect to the start-up crowdfunding distribution:

- (a) the date before which the issuer must have raised the minimum offering amount for the closing of the distribution (no later than 90 days after the date this offering document is made available on the funding portal), and

90 days after the date on this offering document

- (b) the date(s) and description of any amendment(s) made to this offering document, if any.

N/A

5.4 Indicate the type of eligible securities offered.

Special Warrants

5.5 The eligible securities offered provide the following rights (choose all that apply):

☒ Voting rights.

The Special Warrants do not carry the right to vote, however each common share which may be issued upon conversion of the Special Warrants entitles the holder to notice of, and to attend and vote at, each meeting of shareholders on the basis of one vote for each common share.

☒ Dividends.

Holders of Special Warrants are not entitled to receive dividends. Dividends may be paid on common shares from available net income if and when declared by the directors of the Issuer.

☒ Rights on dissolution.

Holders of Special Warrants are not entitled to participate in the allocation and distribution of assets upon the dissolution or liquidation of the Issuer. All common shares entitle the holders to participate rateably in the allocation and distribution of assets upon the dissolution or liquidation of the Issuer.

☒ Conversion rights (describe what each security is convertible into)

The Special Warrants automatically convert into common shares of the Issuer on a one to one basis upon a prospectus being filed that qualifies the special warrants.

☐ Other.

N/A

- 5.6 Provide a brief summary of any other material restrictions or conditions that attach to the eligible securities being offered, such as tag-along, drag along or pre-emptive rights.

N/A

- 5.7 In a table, provide the following information:

	Total amount (\$)	Total number of eligible securities issuable
Minimum offering amount	\$5,000	100,000
Maximum offering amount	\$250,000	5,000,000
Price per eligible security	\$0.05	

- 5.8 Indicate the minimum investment amount per purchaser, if any.

\$125

- 5.9

“The minimum offering amount stated in this offering document may be satisfied with funds that are unconditionally available to CITADEL ACQUISITION GROUP INC. that are raised by concurrent distributions using other prospectus exemptions without having to amend this offering document.”

Item 6: ISSUER’S BUSINESS

- 6.1 Describe the issuer’s business. Provide details about the issuer’s industry and operations.

The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing an acquisition. The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. Until completion of an acquisition, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing an acquisition.

The Issuer’s long-term objective is to enter into an acquisition of merit.

In this regard, the main goals of the Issuer are:

- to capitalize on the idea of our chosen business through the process of introducing the company to the capital markets;
- to select and introduce a top tier management team who deeply understands the fundamentals of the selected industry; and

- to become a competitive company within our industry providing value and innovation towards optimal growth.

6.2 Describe the legal structure of the issuer and indicate the jurisdiction where the issuer is incorporated or organized.

The Issuer is a company incorporated pursuant to the *Business Corporations Act* (British Columbia).

6.3 Indicate where the issuer's articles of incorporation, limited partnership agreement, shareholder agreement or similar document are available to purchasers.

The Issuer's certificate of incorporation, notice of articles and articles can be viewed at the Head Office of the Issuer.

6.4 Indicate which statement(s) best describe the issuer's operations (select all that apply):

- ☒ Has never conducted operations,
- ☐ Is in the development stage,
- ☐ Is currently conducting operations,
- ☐ Has shown profit in the last financial year.

6.5 Indicate whether the issuer has financial statements available.

No

Information for purchasers: If you receive financial statements from an issuer conducting a start up crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should ask the issuer which accounting standards were used to prepare the financial statements and whether the financial statements have been audited. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements.

6.6 Describe the number and type of securities of the issuer outstanding as at the date of the offering document. If there are securities outstanding other than the eligible securities being offered, please describe those securities.

Total Common Shares outstanding as at the date of the offering is 1.

Item 7: USE OF FUNDS

- 7.1 Provide information on all funds previously raised and how they were used by the issuer.

N/A

- 7.2 Using the following table, provide a detailed breakdown of how the issuer will use the funds from this start-up crowdfunding distribution. If any of the funds will be paid directly or indirectly to a promoter, director, officer or control person of the issuer, disclose in a note to the table the name of the person, the relationship to the issuer and the amount. If more than 10% of the available funds will be used by the issuer to pay debt and the issuer incurred the debt within the two preceding financial years, describe why the debt was incurred

Description of intended use of funds listed in order or priority	Total amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
General Working Capital	\$4,700	\$230,250
Portal Fees	\$300	\$19,750
TOTAL	\$5,000	\$250,000

Item 8: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS

- 8.1 For each start-up crowdfunding distribution in which the issuer and each promoter, director, officer and control person of the issuer have been involved in any of the participating jurisdictions in the past five years, provide the information below:

- (a) the full legal name of the issuer that made the distribution,

N/A

- (b) the name of the funding portal, and

N/A

- (c) whether the distribution successfully closed, was withdrawn by the issuer or did not close because the minimum offering amount was not reached and the date on which any of these occurred.

N/A

Item 9: COMPENSATION PAID TO FUNDING PORTAL

- 9.1 Describe the commission, fee and any other amounts expected to be paid by the issuer to the funding portal for this start-up crowdfunding distribution.

1. **Compensation:**

1.1 In consideration of the Services, Issuer agrees to pay to Vested the following fees:

- (a) **Portal Fee:** Portal fee (the “**Portal Fee**”) shall be calculated as 5% of the aggregate amount of actual gross proceeds raised in the Offering (“**Offering Proceeds**”); payable upon each date funds are released to Issuer and automatically deducted from the Subscription Amounts pursuant to section 5.1 above.
- (b) **Payment Processing Fees:** Payment processing fees (the “**Processing Fees**”) calculated as **[2.9% of Offering Proceeds and further \$0.30 per each Investor Subscription plus \$200 for filing the 45-106F1 report with the BCSC]** shall be charged by Vested and/or its third-party payment processor and be automatically deducted from the Subscription Amounts released to the Issuer pursuant to section 5.1 above. The Processing Fees are subject to change without notice.
- (c) **Compensation Special Warrants:** Issuer shall issue to Vested, at Offering Close, 100,000 Compensation Special Warrants (the “**Special Warrants**”). Each Compensation Special Warrant entitles Vested to acquire one common share of the Company at no additional cost.

(collectively, the “**Fees**”).

Item 10: RISK FACTORS

10.1 Describe in order of importance, starting with the most important, the main risks of investing in the issuer’s business for the purchasers.

Investment in the Special Warrants is highly speculative given the proposed nature of the Issuer’s business and its present stage of development. The following are risk factors associated with the Issuer, but are not intended to be all inclusive:

- (a) The Issuer was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends in the near future.
- (b) Investment in the Special Warrants is highly speculative given the proposed nature of the Issuer’s business and its present stage of development.
- (c) The directors and officers of the Issuer will only devote a portion of their time to the business and affairs of the Issuer and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

(d) There can be no assurance that the Issuer will be successful in filing a prospectus, in which case the Special Warrants will have no economic value. The Special Warrants are subject to an indefinite hold period and the investor may have no ability to sell its Special Warrants.

(e) If the Special Warrants are converted to common shares, there can be no assurance that an active and liquid market for the Issuer's common shares will develop and an investor may find it difficult to resell its common shares.

(f) The Issuer has only limited funds with which to identify and evaluate potential acquisitions and there can be no assurance that the Issuer will be able to identify a suitable acquisition.

(g) Even if a proposed transaction is identified, there can be no assurance that the Issuer will be able to successfully complete the transaction.

(h) Any transaction may be financed in all or part by the issuance of additional securities by the Issuer and this may result in dilution to the investor, which dilution may be significant and which may also result in a change of control of the Issuer.

As a result of these factors, an investment in the Special Warrants is only suitable for those investors who are willing to rely solely on management of the Issuer and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Special Warrants.

Item 11: REPORTING OBLIGATIONS

- 11.1 Describe the nature and frequency of any disclosure of information the issuer intends to provide to purchasers after the closing of the distribution and explain how purchasers can access this information.

The Issuer does not anticipate providing purchasers with any additional disclosure, except as may be required under applicable laws.

Item 12: RESALE RESTRICTIONS

The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities.

Item 13: PURCHASERS' RIGHTS

If you purchase these securities, your rights may be limited and you will not have the same rights that are attached to a prospectus under applicable securities legislation. For information about your rights you should consult a lawyer.

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal within 48 hours of your subscription. If there is an amendment to this offering

document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal within 48 hours of receiving notice of the amendment.

The offering of securities described in this offering document is made pursuant to a start-up crowdfunding registration and prospectus exemptions order issued by the securities regulatory authority or regulator in each participating jurisdiction exempting the issuer from the prospectus requirement and the funding portal from the registration requirement.

Item 14: DATE AND CERTIFICATE

- 14.2 Provide the signature, date of the signature, name and position of the authorized individual certifying this offering document.

On behalf of the issuer, I certify that the statements made in this offering document are true.

Dated: June 29, 2019

DocuSigned by:
Konstantine Tsakumis
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Konstantine Tsakumis, Director

I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding