



## OFFERING MEMORANDUM

<b>Date:</b>	September 7, 2015
<b>The Issuer:</b>	InvestX Capital Ltd. (“InvestX” or the “Company”)
<b>Head office Address:</b>	Suite 1625, 1185 West Georgia Street, Vancouver, British Columbia
<b>Phone:</b>	778.383.1028
<b>E-mail Address:</b>	contact@investx.com
<b>Website:</b>	www.investx.com
<b>Currently listed or quoted:</b>	These securities do not trade on any exchange or market.
<b>Reporting issuer?</b>	No.
<b>SEDAR filer?</b>	No.
<b>Securities offered:</b>	Common shares (the “Common Shares”)
<b>Price per security:</b>	U.S. \$1.27 per Common Share
<b>Minimum offering:</b>	U.S. \$500,000
<b>Maximum offering:</b>	U.S. \$1,500,000
	<b>Funds available under the offering may not be sufficient to accomplish our proposed objectives.</b>
<b>Minimum subscription amount:</b>	There is a minimum subscription amount of U.S. \$5,000.
<b>Payment terms:</b>	The full purchase price for the Common Shares being purchased by you must be received before the closing of the offering. See Item 5.2 – Subscription Procedure.
<b>Proposed closing date(s):</b>	This is a continuous offering.
<b>Selling agent:</b>	Waverley Corporate Financial Services Ltd. See Item 7 – Commission Paid to Sellers and Finders.
<b>Resale restrictions:</b>	You will be restricted from selling your securities for indefinite period and all transfers of Common Shares are restricted by the terms of a unanimous shareholders’ agreement (the “Unanimous Shareholders’ Agreement”) to be entered into by each subscriber. See Item 10 – Resale Restrictions.
<b>Purchaser's rights:</b>	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 – Purchaser’s Rights.

**No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 – Risk Factors.**

## Disclaimers

This Offering Memorandum is issued in connection with the distribution by the Company of the Common Shares pursuant to offers to persons in the Qualifying Jurisdictions (as defined hereinafter).

The Offering is being made with reliance on certain exemptions from the prospectus filing requirements available under the securities laws of the Provinces of Ontario, Alberta, British Columbia and Quebec (the “**Qualifying Jurisdictions**”). As a result, the securities offered herein will not be listed on any stock exchange and will be subject to the applicable resale and transfer restrictions under these laws. These securities will be offered for sale in the United States of America to accredited investors and other qualified investors pursuant to exemptions from the prospectus requirements of Regulation D Rules 506 (b) and 506 (c) in the United States.

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. The first closing of this Offering shall take place when the conditions of closing have been satisfied by the Board of Directors of the Company. After completion of the first closing, additional closings may take place with other purchasers from time to time. (Refer to Item 5.2 – Subscription Procedure.)

This offering constitutes a private placement of securities only in the Qualifying Jurisdictions and in the United States of America (“**U.S.**”) and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. If there is a misrepresentation in this Offering Memorandum, you will have certain rights. See Item 11 – Purchaser’s Rights.

This Offering Memorandum is confidential. By acceptance hereof, a prospective investor agrees that it, he or she (a) will not transmit, reproduce or make available to anyone this Offering Memorandum or any information contained herein, and (b) will return the Offering Memorandum and all accompanying documents to the Company if it, he or she does not subscribe for the Common Shares. Any recipient of this Offering Memorandum is not permitted to transfer or assign any rights in respect of the offer herein or of its entitlement to subscribe for the Common Shares to any other person other than as described herein. No person is authorized to give any information or make any representations (whether oral or written) in connection with this Offering, except such information as is contained in this Offering Memorandum and in the documents attached hereto and the documents summarized herein.

This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation. You are directed to inform yourself of and observe such restrictions and all legal requirements of your jurisdiction of residence in respect of the acquisition, holding and disposition of the securities offered hereby. Prospective investors should thoroughly review this Offering Memorandum and are advised to consult with

their professional advisors to assess the business, legal, income tax and other aspects of this investment. This is a risky investment. The securities offered hereby will be issued only on the basis of information contained in this Offering Memorandum and no other information or representation is authorized or may be relied upon as having been authorized by the Company's selling agent, Waverley Corporate Financial Services Corporation Ltd. and the Company. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada or in the U.S. Any subscription for the securities offered hereby made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person.

#### Forward-looking information

This Offering Memorandum contains certain statements or disclosures that may constitute forward looking information under applicable securities laws with respect to the Company, including, but not limited to statements or information concerning: the successful development of InvestX, the number of investors and private companies that will utilize InvestX, the services to be provided by, and benefits to be received from, Stockhouse Publishing Ltd. ("**Stockhouse**"); the valuation, as well as any other statements that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Except for statements of historical fact, information contained herein constitutes forward-looking information.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including among other things assumptions about: costs and time of building the Investor Platform (as defined below), costs and time to acquire investors, private equity firms and issuers, availability and ability to attract highly skilled people to the team, that InvestX will be able to compete successfully against other competitors with significantly more capital, InvestX will be able to access additional capital to fund the business, that a large percentage of investors from Stockhouse.com will register and participate in InvestX, that private equity and venture capital companies will refer or influence issuers to use the Investor Platform, investors are interested and willing to invest in private companies, that InvestX has a cost and time advantage over other platforms, InvestX will be able to build the platform to comply with different regulatory agency requirements. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results

or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: InvestX's reliance on Stockhouse and the possibility that such relationship be terminated, InvestX's inability to convert existing users of Stockhouse as contemplated; the availability and completion of necessary financing, competition from new and established crowdfunding and private equity investment platforms and portals, general business, economic, competitive, political, regulatory and social uncertainties; that the U.S. and Canadian government will pass any type of online investment and/or crowdfunding legislation or in a timely way and that the legislation will allow for investment platforms to conduct business. In addition, some of the specific forward-looking statements in this Offering Memorandum include, but are not limited to, statements with respect to the investment structure of the Offering and the anticipated investments of the proceeds of the Offering by the Company.

Although the Company has attempted to identify important factors, including those discussed under Item 8 – Risk Factors, that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

The Company cautions that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, this forward-looking information. Forward-looking information contained herein is made as of the date of this document and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

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## DEFINITIONS

In this Offering Memorandum, the singular includes the plural and vice versa and each gender includes all genders, as the context requires. Also, a reference herein to a statute includes reference to any amendments to or replacements of such statute and all regulations and rules enacted thereunder.

As used in this Offering Memorandum, the following terms have the particular meanings set out below:

### ITEM 1: USE OF AVAILABLE FUNDS

#### 1.1 Funds

	Description	Assuming minimum Offering	Assuming maximum Offering
A.	Amount to be raised by this offering	\$ 500,000	\$ 1,500,000
B.	Selling commissions and fees (up to 7%)	\$ 15,000 (estimate)	\$ 50,000 (estimate)
C.	Estimated offering costs (e.g., legal, accounting, audit.)	\$ 15,000	\$ 20,000
D.	Available funds: $D = A - (B+C)$	\$ 470,000	\$ 1,430,000
E.	Additional sources of funding required	\$ 0	\$ 0
F.	Working capital deficiency <sup>(1)</sup>	\$ 0	\$ 303,000
G.	Total: $G = (D+E) - F$	\$ 470,000	\$ 1,127,000

Notes:

- (1) On June 23, July 9 and July 31, 2015, Radical Capital Ltd. (“**Radical**”) provided a loan to the Company in the aggregate amount of \$303,000 at the rate of 5% per annum, calculated semi-annually and payable monthly as a bridge loan (the “**Bridge Loan**”) to the completion of the Offering. The Bridge Loan is being used by the Company for general working capital including salaries and office expenses. The Company has agreed to re-pay the principal amount of the Bridge Loan in full in the event the maximum Offering is subscribed for. In the event an amount is raised less than the maximum Offering but more than the minimum Offering, the amount of the Bridge Loan that will be re-paid by the Company will be calculated as 20% of the proceeds raised pursuant to the Offering. For example, if the offering raised is \$1,000,000, \$151,500 of the Bridge Loan would be paid back. In the event the minimum amount of the financing is completed, Mr. New has agreed to postpone any repayments of the principal amount and interest of the Bridge Loan until the Company raises additional capital or by approval of the board of directors of the Company. Note that Mr. Marcus New, the Chief Executive Officer of the Company, beneficial owns 50% of the issued and outstanding voting securities of Radical.

#### 1.2 Use of Available Funds

The aggregate gross proceeds of this Offering will be approximately \$1,500,000 if the maximum Offering is achieved. All expenses in connection with this Offering are to be paid from the proceeds of the Offering. The following table provides a breakdown of how the Company will use the available funds.

Description of intended use of available funds listed in order of priority	Assuming minimum Offering	Assuming maximum Offering
Staff	\$ 400,000	\$ 777,000
Office Expenses	\$ 55,000	\$ 90,000
Marketing	\$ 0	\$ 140,000
Other / Miscellaneous	\$ 15,000	\$ 110,000
Total: Equal to G in the Funds table above	\$ 470,000	\$ 1,127,000 (1)

Notes:

(1) See above note (1) in table 1.1 above.

### 1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

## ITEM 2: BUSINESS OF INVESTX CAPITAL LTD.

### 2.1 Structure

The Company was incorporated in British Columbia, Canada, on November 2, 2011, pursuant to the *Business Corporations Act* (British Columbia) (“**BCBCA**”). The head office of the Company is at Suite 1625, 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6. The Company has two subsidiaries: InvestX Master GP Ltd. (“**IMG**”) and InvestX Financial (Canada) Ltd. (“**IFC**”). InvestX Master GP Ltd. operates as a private equity firm and acts as general partner for limited partnership investment products it creates. InvestX Financial (Canada) Ltd. has no active business but has made an application to the British Columbia Securities Commission (“**BCSC**”) on June 12, 2015 for registration in the category of Exempt Market Dealer (“**EMD**”) in the province of British Columbia pursuant to NI 31-103 – *Registration Requirements and Exemptions* (“**NI 31-103**”).

### 2.2 Our Business

#### Overview

The Company is a technology company that builds online financial platforms for the exempt market to take advantage of global regulatory changes, including advances in the online distribution of securities products and adoption of crowd funding laws.

The Company has created a technology platform (the “**Investor Platform**”) to: (i) build a database of qualified investors who have indicated interest in private placements, (ii) develop an electronic mechanism for receiving orders for available private placements from investors, (iii) complete or complement identity verification, (iv) accept electronically verified sub-agreements from subscribing investors, and (iv) capture a physical document such as a tax form or brokerage firm statement or third-party verification letter for accredited investor verification.



The Investor Platform demonstrates a scalable compliant online financial model. The Investor Platform is designed to allow registered members (prospective investors) to efficiently participate in identity verification, accredited investor qualification confirmation, and suitability assessment, while having ready access to compliance vetted information about investment opportunities, and the ability to directly review information and documentation about current investments they may hold through the Investor Platform, among other attributes. The Investor Platform can provide a competitive advantage for the Company who manufactures financial products to allow retail investors to invest in private companies which have historically been purchased by institutional investors, in the increasingly regulated financial markets.

Currently, Investor Platform technology is licensed to Waverley Corporate Financial Services Ltd. (“**Waverley**”) for use in its operation as a registered exempt market dealer (EMD) in the jurisdictions of British Columbia, Alberta, Québec, and Ontario.

IFC is a wholly owned subsidiary of the Company and on June 12, 2015 submitted an application for registration in the category of EMD pursuant to NI 31-103 in the province of British Columbia to the BCSC. Upon approval of registration as an EMD, the Investor Platform technology license agreement with Waverley will be terminated and IFC will enter into a license agreement with the Company for use of the Investor Platform technology in its operation as an EMD. ---

IMG is a private equity firm and wholly owned subsidiary of the Company. IMG was established to create prospectus exempt securities products that provide retail investors with access to unique highly sought after early to late stage venture capital and private equity investment opportunities, focused primarily on opportunities that are institutionally backed. IMG’s securities product structure provides for an indirect offering in private companies using a special purpose vehicle (“**SPV**”). The SPV structure allows retail investors to invest smaller amounts, which are then pooled together to make a single large investment in the private company. The SPV is used to aggregate funds and reduce the administrative complexity of having hundreds of retail investors on the capitalization table of the private company, while allowing those retail investors to participate in the private company offering with smaller investment amounts. Most institutionally backed private companies are not interested in taking small investment amounts from retail investors.

IMG sets up a SPV as a limited partnership for each private company issuer and distributes the exempt market securities product (the “**LP Units**”) through Waverley. The SPV has a single investment as its asset, and is designed not to have other transactions until the occurrence of a liquidity event typically in the form of an initial public offering (“**IPO**”) or a merger & acquisition transaction. There are no distributions, trades, or transfers, except in limited circumstances such as the death of a limited partner whose investment interest is transferred to its estate. Investors have full transparency in respect of the underlying private company where their investment funds have been indirectly invested. The SPV is for convenience only however it is necessary to be able to access the private equity asset class.

The fees of the IMG prospectus exempt securities products typically include: (1) a 2% annual management fee collected up front and applied in equal amounts over the standard 5-year term of the SPV, and (2) a 20% carry on the profit. A carry means that IMG gets a 20% portion of the investment profit, if

any, after the investors have received their principal investment amount back. The investors receive 80% of the investment profit, if any. This aligns the IMG and investor interests and provides incentive for IMG to source the best quality private companies and co-investment opportunities.

The management team believes there is a significant opportunity in the investment industry for equity investment in institutionally-backed private companies. Over the past five years, traditional public market players such as hedge funds, institutional investors, and sovereign wealth funds have moved their capital into late stage private companies in order to increase their returns. This has resulted in companies staying private longer and being priced at a “fuller” valuation at initial public offering (IPO). This has created demand to get access to this stage of company. Examples of such private companies include Uber, Spotify, and AirBnB. Typically, retail investors have not been able to access venture capital or private equity as the minimum investments are usually in the range of \$1,000,000 to \$50,000,000 minimum or more.

Currently, as a registered EMD licensed to use the Investor Platform technology, Waverley provides distribution of the IMG securities products by relying on prospectus exemptions available under the securities legislation of Canada, U.S. and other applicable jurisdictions.

With its EMD registration approval, the Company intends for IFC to develop a database of investors initially drawing accredited investors primarily from Stockhouse users and other wealth management firms who want to participate in exempt offerings involving private companies. Stockhouse is a private company providing stock market and financial news as well as portfolio, quote and charting tools to the investment community. Mr. New, the CEO of the Company is an indirect majority shareholder of Stockhouse.

It is the intention of the Company to continue to develop technology for use by IFC where possible to automate distribution of exempt market products in private companies in order to maximize placement efficiency. With demonstrated success of the distribution of private issuer investments to retail investors, it is intended that IFC will gain visibility with institutional investors, supporting an expansion of the businesses of both IMG and IFC from retail distribution to include institutional distribution of private issuer investment opportunities.

Further, the Company intends for IMG to develop different product types, and for IFC to build its product type capacity and develop its investor/member registration infrastructure to support potential changes in securities legislation or otherwise, allowing for new investor and product exemption categories.

IFC intends to differentiate itself from other EMD's by providing equity private placement distribution to a large pool of investors generally unreachable by other EMD's. The Company has an marketing & advertising contract with Stockhouse ([www.stockhouse.com](http://www.stockhouse.com)) providing access to Stockhouse's users, which total in the range of 700,000 – 950,000 on a monthly basis. Market research indicates 16-20% of Stockhouse's users are accredited investors.

InvestX Capital Ltd., IMG, and IFC (collectively, “**InvestX Group**”) will primarily develop products and service issuers in the technology, consumer product, media, health sciences and clean technology industries, and focus on later stage private companies with enterprise values between \$200M

and \$20B and small reporting issuers with enterprise values in the \$20-\$400M range. The InvestX Group business model is to develop and provide broad distribution of private placements to a large number of retail investors through the Investor Platform. Through its advertising agreement with Stockhouse, InvestX Group will develop a community of investors numbering in the tens of thousands.

#### *Market Analysis and Sales Strategy*

The capital markets are divided generally into bank-owned investment firms, full-service independently owned investment firms, boutique investment firms, and EMDs. Bank and independently owned investment firms, like Goldman Sachs, RBC Capital Markets and JP Morgan, respectively, claim the lion's share of the capital markets business and they are primarily focused on servicing mid to large capitalization companies typically through public financings. Boutique investment firms provide more specialized service to mid to smaller cap companies generally through a combination of public and private offerings.

EMDs provide very specialized service to smaller companies and alternative asset categories through exempt offerings. In North America there are more than 7.4 million small businesses and more than 10 million accredited investors representing a significant market opportunity for InvestX. Initially, InvestX will segment the market in two primary ways: by geography and by industry.

InvestX Group is headquartered in Vancouver, British Columbia with part of its team in Columbus, Ohio and will focus primarily on private companies based in the United States and Canada. From a distribution perspective, InvestX Group will make exempt offerings available to investors domiciled in the U.S. and Canada.

Technology, consumer products, media, health science and clean technology sectors will be the primary areas of industry focus for InvestX Group.

InvestX Group will address investors' need for access to scarce, high quality, new issue investment opportunities. InvestX Group will create a large community of investors and will provide a structured and efficient method of distributing high quality equity private placements to this community through the Investor Platform.

InvestX Group will use multiple methods to promote its equity distribution services to both issuer clients and retail investors. Initial promotion will focus heavily on leveraging InvestX Group's advertising contract with Stockhouse, media and wealth management firms. In addition to website presence, InvestX Group will leverage existing issuer relationships of its principals to generate service awareness and engagement. Presence at local industry events both from an attendance and a sponsorship perspective will be used to enhance InvestX Group's profile and generate engagements. Within the investment industry, InvestX Group will create relationships with private equity and venture capital firms as well as other EMDs, boutique investment firms, and key individual brokers who are interested in expanding the retail distribution of financings in which they are involved. EMDs, boutiques, and brokers with strong reputations in consumer products, technology, media, and clean tech will be approached to develop relationships that will lead to future syndication and selling group arrangements. In order to generate more widespread awareness of InvestX Group and its services, particularly within the exempt market industry, Mr. New has joined the

Equity Crowd Funding Alliance of Canada ([www.ecfacanada.ca/](http://www.ecfacanada.ca/)) as a founding member and IFC will take advantage of media and public relations strategies.

As with most businesses in the investment industry, accessing high quality products to distribute to investors will come through a combination of fostering relationships with private equity/venture capital partners and building out the InvestX Platform to increase the capital available for issuers who will then seek out the Company. It is important to note, that the long term success of InvestX Group will depend largely on two factors: (1) the ability of InvestX Group to secure access to issuers, and (2) the ability of InvestX Group to efficiently place equity issues with retail investors. InvestX Group needs to provide high quality equity issues in order to generate sufficient ongoing demand from retail investors and family offices to efficiently satisfy InvestX Group's equity placement commitments. Therefore, it is extremely important for InvestX Group to develop a rigorous screening process for selecting new equity issues that have an above average opportunity to create positive returns for investors. It is InvestX Group's strategy to focus on issuers who are currently backed by institutional investors as a prerequisite to being a client of InvestX Group.

Forecasting sales is challenging in a new market segment. In the U.S. market, alone, accredited investors have \$12.7 trillion dollars of investable assets. Canada is estimated to be 10% of that amount or \$1.3 trillion dollars. Today investors are locked out of private equity because of million dollar minimums to be a limited partner, 10 year fixed investment terms, and the committed callable capital model. Investx believes there is significant demand for access to this asset class. As mentioned previously, Stockhouse may have as many as 200,000 users of their website who are accredited investors. Of those investors, we believe as many as 10-30% or 20,000-60,000 investors may have an interest in participating in exempt offerings from IFC. Assuming the typical accredited investor has \$1M in investable assets (the most likely characteristic qualifying them as an accredited investor) but will only be interested in putting approximately 10% or \$100,000 in less liquid exempt offerings, the available capital pool would be approximately \$2B-6B.

## *Conflicts*

InvestX Group will maintain conflicts of interest policies and procedures for addressing actual and potential conflicts of interest, as fully outlined in the InvestX Financial (Canada) Ltd. Policy and Procedures Manual submitted in support of the IFC application for registration as an EMD.

The Company has an advertising agreement with Stockhouse. Members of the IT Department of Stockhouse provide support for the Investor Platform. The Company shares office space with Stockhouse. There may be situations where IFC will recommend securities of a company that has used or is using the services of Stockhouse. Both firms may receive compensation for their services.

The Company is the parent company to IFC. Mr. New is a director and majority shareholder of the Company. Marcus New is the sole director and President, and is intended to be the ultimate designated person and a registered dealing representative of IFC. Upon the IFC registration approval as an EMD, the Company will be a Canadian exempt market dealer related issuer. It is anticipated that as a registered EMD, IFC will also share office space with the Company.

The Company is the parent company to IMG. IMG's role is to develop and administer the (SPV) investment products. Upon the IFC registration approval as an EMD, IMG will be a Canadian exempt market dealer related issuer.

The conflicts policies and procedures provide that, at the discretion of the Chief Compliance Officer of IFC (as a registered EMD) or in all instances involving an actual or perceived conflict of interest involving a client and any of the Company, IMG, Stockhouse and/or Marcus New, the matter will be referred to the Conflicts Review Committee ("**CRC**") for determination of appropriate management of the actual or perceived conflict of interest. The CRC will address the identified conflicts, as described above, incorporating the structure for independent review committees as outlined in National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"), as applicable; specifically by composing the CRC with three "independent" members and by addressing "conflict of interest matters" as both those terms are defined in NI 81-107. A written Charter will govern the CRC.

## *Competitive Comparison*

Through its relationship with Stockhouse, InvestX Group has access to thousands of accredited investors many of whom may be interested in participating in private placements but have previously lacked the ability to access these placements because they do not invest the multi-million dollar minimums or do not have appropriate broker relationships or their broker "filters" the private placements that are available. IFC is in the unique position amongst EMDs to offer companies access to a highly sought after pool of accredited retail investors thereby broadening their equity distribution.

Private companies often struggle to be noticed amongst their larger counterparts. Smaller companies commonly hire public relations firms in order to get their story out and create awareness. By the very nature of their use of the Stockhouse website, many of the investors in InvestX's accredited investor pool have a propensity to discuss their investments on blogs and in social media websites. InvestX Group offers private companies the intangible benefit of increased online discussion about their business amongst current and potential investors thereby providing a free form of viral publicity.

## *Competitors*

InvestX Group competes with a number of traditional financial services firms who are providing alternative assets to investors. In addition online competitors are establishing themselves to compete in various financial asset classes.

In Canada, InvestX Group is the first company / platform that is raising capital from retail investors in a fully electronic platform to make private equity investments. In the United States, AngelList and CircleUp are two good examples of companies that have been successful with this model. However, they fund start-ups while InvestX Group is focused on mid-late stage institutionally backed private companies.

- AngelList was formed in 2010. In 2014, AngelList raised over \$100 million for 240+ start-ups, with 2,500+ investors investing an average of \$40k.
- CircleUp was founded in 2011. According to Crunchbase profile, CircleUp is an online private company investment platform. They provide accredited investors free access to direct investments in high-growth consumer product and retail private companies that were previously difficult to identify and access. For retail and consumer product entrepreneurs, they offer an efficient way to access a network of sophisticated investors as well as value added partners.

Typical investments on CircleUp are food, personal care, pet product, apparel or retail/restaurant companies generating more than \$500,000 in revenue and are looking to raise \$100,000 to \$2.0 million in growth equity.

Two other successful companies in the online debt marketplace are LendingClub Corporation and On Deck Capital - both of these entities are peer to peer lending platforms that connect investors (lenders) and borrowers.

- LendingClub Corporation (NYSE: LC; market capitalization – U.S.\$4.7 billion) operates the world's largest peer-to-peer lending platform. Founded in 2006, and headquartered in San Francisco, the company went public in December 2014 through a \$900 million initial public offering. LendingClub had \$1.9B in loan originations on its platform in Q2, 2015.
- On Deck Capital (Nasdaq: ONDK) provides loans to small businesses through its lending marketplace. It went public in December 2014.

## **2.3 Development of Business**

The Company began operations in March 2014 when it raised U.S.\$2.1 million dollars in seed capital from a number of private equity, mutual and hedge funds for its launch. Its strategic investors include the following and, with the exceptions of Radical and Cherubim, each hold less than 10% of the issued and outstanding Common Shares:

- U.S. Global Investors (Nasdaq: GROW; AUM – U.S.\$800+M) - Headquartered in San Antonio, Texas, this asset manager manages a wide range of investments with a special focus on natural resources.

- Pathfinder Asset Management Ltd – Based out of Vancouver, British Columbia, this asset management company manages \$100M in assets.
- Mutual Capital Alliance - Founded in 1994, this company invests primarily in financial services companies, medical device technologies, healthcare, distressed debt/real estate, and manages a number of publicly traded mutual funds and private equity funds with assets under administration of \$850M.
- Cherubim Investment Corporation (“**Cherubim**”) - Investment holding company owned by the New Family Trust of which Mr. New controls and is a beneficiary.
- Radical – An investment company of Mr. New, who beneficially owns 50% of the issued and outstanding voting securities of Radical.

The Company has achieved the following milestones:

1. Built a team with a history of building some of the largest online platforms/marketplaces on the Internet.
2. Invested resources in the understanding and development of the regulatory and legal structure for the development of an online platform with a significantly lower compliance cost structure than the industry, creating a disruptive competitive advantage and enabling the platform to be able to scale without adding significant numbers of people and office infrastructure
3. Established relationships with initial private equity and venture capital firms who to date have given the Company access to some of the most well-known pre-ipo issuers in the world, for example – Spotify Inc. and Lyft, Inc.
4. In December 2014, the Company launched a beta test of the Investor Platform to raise a small amount of capital, and test user flows, transactions, site functionality, etc.
5. In February 2015, completed a thorough review and education process in respect to the Investor Platform and related regulatory activities with the BC Securities Commission, which was completed in May 2015.
6. Registered over 1000 accredited investors to the Investor Platform.
7. Launched and completed two high profile deals: InvestX SPV 14 – LYFT Limited Partnership (Lyft, Inc.) and InvestX SPV 15 – SPTFY Limited Partnership (Spotify Inc.).

## 2.4 Long Term Objectives

The long term objective of the Company is to achieve \$1 billion in assets under management.

Due to the start-up nature of the Company and the lack of history for online financial platforms capturing assets under management, it is difficult to predict the time or cost to achieve this objective. Based on other equity financial platforms, it is estimated the company would need 25,000 customers at an average investment of \$40,000. If we considered that accredited investors with \$1 million in assets would invest

15% of their assets in this asset class over time, this would result in the Company having to acquire 6,666 customers to achieve \$1B in assets.

The Company's strategy is to refine its marketing effort to attract investors who are interested in the Company's product, remove friction from the sales process to convert the maximum number of investors to purchase the Company's product, and implement customer retention and referral programs to increase the share of wallet of the Company's customers and solicit referrals from new customers. Based on a review of other online financial platforms, an additional investment of more than \$30 million could be required in order to achieve the Company's long term objective in five years. Due to the large size of the multi trillion dollar wealth management industry, the Company's goal is to achieve its long term objective over the next ten years if further investment is not available. The majority of the costs will consist of personnel and marketing costs.

## 2.5 Short Term Objectives and How We Intend to Achieve Them

During the 12 month period following the completion of the Offering, the Company intends to invest the total proceeds from the Offering in the manner described in this Offering Memorandum. The short term objectives are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Complete first phase of Independent Wealth Management Program – Complete beta test with 2-3 firms	December 2015	\$60,000
10 wealth management firms on boarded – Hire sales person and market to firms	June 2016	\$180,000
Generate a customer acquisition cost with a positive return on investment. -- Continue to remove friction in the sales funnel, enhance user experience, execute marketing program	September 2016	\$960,000
Assets Under Management - \$20 Mil – through achieving the objectives above	September 30, 2016	
5,000 registered investors -- Market to Stockhouse community the InvestX platform and the specific issuers available. Use content, social media, and partnerships with other media and wealth management firms	September 30, 2016	\$ 2,500,000 <sup>(1)</sup>

Notes:

- (1) The Company has a \$2 million prepaid marketing contract with Stockhouse that it will utilize in addition to \$500,000 in cash if budget permits.



## **2.6 Insufficient Funds**

The funds available as a result of this offering may not or will not be sufficient to accomplish all of the issuer's proposed long term and short objectives and there is no assurance that alternative financing will be available.

## **2.7 Material Agreements**

We are currently a party to the following material agreements:

### *Waverley Licensing Agreement*

The Company has entered into a licensing agreement with Waverley dated September 29, 2014 whereby it licenses its technology for the Investor Platform to Waverley, who as an EMD distributes the securities products manufactured by IMG. The licensing agreement expires ten (10) years from the date of the agreement.

### *Stockhouse Marketing Agreement*

InvestX has entered into a prepaid advertising contract with Stockhouse dated February 28, 2014 ([www.stockhouse.com](http://www.stockhouse.com)) providing access to Stockhouse's users, which total in the range of 700,000 – 950,000 on a monthly basis. This contract was contributed to the Company by Cherubim as part of the initial funding of the Company's business. The prepaid advertising contract is for a term of three years.

### *The Bridge Loan*

As described above, Radical provided a loan to the Company in the aggregate amount of \$303,000, which amount is secured by a general charge over the assets of the Company. The loan has no set repayment terms and accrues interest at 5% a year, calculated semi-annually and not in advance.

### ITEM 3: INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS, AND PRINCIPAL HOLDERS

#### 3.1 Compensation and Securities

The following table discloses the compensation paid to, and securities held by, each of our directors, officer, and promoters, and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of our voting securities (a “**Principal Holder**”).

Name and Municipality of Principal Residence	Positions Held & Date Appointed	Compensation Paid in the Most Recently Completed Financial Year & Payable in the Current Financial Year	Number, Type and Percentage of Our Securities of the issuer held after completion of	
		Last Year Current Year	Minimum Offering	Maximum Offering
Marcus A. New Port Moody, British Columbia, CAN	Director, officer, promoter, and principal holder. Effective date November 2, 2011	2014: U.S.\$ 95,652 2015: U.S.\$ 97,500	5,750,000 <sup>1</sup> common (71%)	5,750,000 common (65%)
Michael Hagerman West Vancouver, British Columbia, CAN	Director Effective date: February 18, 2014	Option on 131,962 Common Shares at C\$1.00 vesting 33% on March 17, 2015 and each anniversary		
Pamela Springer Columbus, Ohio, U.S.	Director Effective date: February 18, 2014	Option on 131,962 Common Shares at C\$1.00 vesting 33% on March 17, 2015 and each anniversary		

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<sup>1</sup> Cherubim, 100% owned by the New Family Trust of which Marcus New is the Trustee, holds 5,500,000 Common Shares (71.2%). Radical, 50% owned by Marcus New, holds 250,000 Common Share (3.3%).

### 3.2 Management Experience

Name	Principal occupation and related experience
<p>Marcus A. New Director, CEO, and Principal Shareholder</p>	<p>Marcus New is an entrepreneur who has been involved in the capital markets for 20 years. Mr. New started in the industry in 1994. In 1995, Mr. New founded Stockgroup Media which provided its financial information platform to 14 of the top 25 brokerage firms in Canada and its mobile platform was used by 14 of the top 15 global financial services firms including: Goldman Sachs, CSFB, HSBC, and JP Morgan. In 2011, Stockgroup Media's licensing business was sold to Chicago based Barchart.com Inc. Since 2002 Mr. New has been running Stockhouse.com, one of the largest online community for active investors in Canada and one of the world's largest natural resource communities. Approximately 700,000 to 950,000 investors, brokers, institutions, and analysts use Stockhouse.com each month. Mr. New is also President of Radical, a family office fund that has invested in more than 100 private placements in high growth companies and has been the CEO or board member of more than 4 reporting issuers over the past 18 years. Mr. New was a finalist for the Ernst &amp; Young Entrepreneur of the Year award (Pacific region) in 2005, named one of the Top 40 under 40 by Business in Vancouver in 1999. Mr. New has served as a judge for four years with the British Columbia Technology Industry Associations (BCTIA) annual awards, is past President of the Vancouver Chapter of the Entrepreneurs Organization (EO), Chair of the EO Canadian Conference in 2012, is a Founder of the Equity Crowdfunding Association of Canada and is active in charity work and mentoring young entrepreneurs. Mr. New has a bachelor of art degree with a major in business and minor in communications from Trinity Western University and has graduated from the Birthing of Giants program at MIT.</p>
<p>Michael Hagerman Director</p>	<p>Mike Hagerman is an accomplished entrepreneur, with over 40 years experience leading businesses to success. Throughout his career, Mike has held CEO and senior leadership positions for a wide range of companies in financial services, travel, and technology. He was the President of DirectorsEdge, Chairman of Bardel Entertainment, Executive Chairman and Co-founder of Subservero, Co-founder of Stratage Inc., Chairman and CEO of Make Technologies, Managing Director of Goepel McDermid Inc. (sold to Raymond James Financial), and CEO of Primerica Financial Group. Mike also co-founded (and was CEO) of Uniglobe Travel's originating company in Canada, and later became President of Uniglobe Travel, which grew to become the world's largest single brand travel franchise organization, with locations in more than 60 countries.</p>

	<p>Mike is focused on enabling technologies to help financial services companies perform at a higher level, the key being usability. In any technology, Mike's philosophy is that, while it is easy to make something hard, it is hard to make things easy.</p> <p>Mike is currently the co-founder and partner of NEXGen id, which is dedicated to sourcing the best medical diagnostic tests used around the world. The theme of the company is "Early, precise diagnosis means better prognosis".</p> <p>Mike holds an HBA, in Honours Business Administration from the University of Western Ontario and an MBA from the Ivey School of Business. He is past Chairman of the Ontario Heart Foundation (Southwestern Chapter) and past Chairman of the Financial Services Committee for the Toronto United Way Campaign.</p>
Pamela Springer Director	<p>Pamela Springer is an entrepreneurial executive with more than 20 years' experience growing tech-based companies. She loves working with innovative, growth-stage businesses. She has a deep background in digital media, eCommerce, mobile and social experiences. As the long-time CEO of Manta, she turned its online platform for small businesses into one of the top 100 most valuable digital media startups three years running, growing the membership base to nearly 2M members and over 30M visitors per month. In 2013 Manta was awarded the prestigious Red Herring Top 100 Award. She has raised more than \$51M in venture capital and private equity is passionate about building best-in-class teams, and is Franklin Covey-certified in the 7 Habits of Highly Effective People.</p> <p>Springer believes in a balanced scorecard approach to growth and cites one of her biggest professional accomplishments as having achieved massive growth for Manta, while ensuring high employee satisfaction (over 70% of associates at Manta said it was the best place they ever worked).</p> <p>She has a business degree from Franklin University, graduating summa cum laude, where she now serves on the Board of Trustees.</p>
Peter Morse Chief Product Officer	<p>Peter is a proven internet product manager with over 20 years' experience building and growing major media and ecommerce sites. Before joining InvestX, Peter was Vice President, Product Management and Analytics at Manta.com, the largest small business community on the internet. Peter played an instrumental role in building Manta, from start-up phase to over 30 million unique visitors per month and a company valuation of more than \$200 million. Peter also served as Vice President, Marketing Analytics at Bank One (Chase) and Manager, Website Metrics and Testing at</p>

	<p>Amazon.com. He has been named a Senior Statistician (Six Sigma Black Belt) at GE's Research and Development Center.</p> <p>Peter earned a Ph.D in Statistics and a M.S in Statistics from Iowa State University and a B.A. in Math and Economics from Saint Olaf College in Northfield, MN.</p>
Charlene McLaughlin General Counsel	<p>Charlene McLaughlin graduated from the University of British Columbia Faculty of Law in 1991 and was admitted as a Member of the Law Society of Alberta bar in 1992. After spending close to 10 years in private practice, Ms. McLaughlin joined the Investment Dealers Association (now, the Investment Industry Regulatory Organization of Canada (IIROC)) as Enforcement Counsel for the Prairie Region of IIROC. Ms. McLaughlin remained with IIROC for nearly 8 years, leaving as Senior Enforcement Counsel in 2010. From 2010 to 2012, Ms. McLaughlin worked in the securities industry as a Chief Compliance Officer with an exempt market dealer and product issuer, and as legal counsel with a boutique law firm in Calgary, AB. Ms. McLaughlin joined the Alberta Securities Commission in 2012 as Manager, Legal Market Regulation, where she worked with other provincial commissions in the development and implementation of securities laws, regulations, and rules, among other initiatives. In November 2014 Ms. McLaughlin joined InvestX Capital as General Counsel. In February 2015, Ms. McLaughlin was accepted as a Member of the Law Society of British Columbia. Ms. McLaughlin also holds a bachelor's degree in Sports Medicine from Chapman University, Orange City, California, and has passed the Canadian Securities Course, the Chief Compliance Officers Course, the Partners, Directors and Officers Course, and the Conduct and Practices Handbook Course, through the Canadian Securities Institute.</p>
Caroline Bujak Director of Communications/PR	<p>Caroline is a seasoned marketing and communications professional with over 15 years' experience working in technology and the financial markets. Before joining InvestX, she was the Director of Marketing and Communications for Guggenheim Partners' Investment Advisory business, a privately held global financial services firm with \$210 billion in assets under management. Based in Chicago, she played a key role in launching their online alternatives investment platform to the wealth management community. Before Guggenheim, Caroline was Vice President for BIDS Trading, a New York-based firm consortium-owned by the NYSE Euronext and 13 leading sell-side firms. From start-up phase, Caroline built the firm's brand identity and global recognition for their institutional trading platform.</p> <p>Caroline earned a B.A Honours Degree in English from Queens University in Kingston, ON. She is an active member of the Canadian Public Relations</p>

	Society and was a previous holder of the FINRA Series 7 and 64 licenses. Caroline is currently on maternity leave and expected back in Q1, 2016.
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### 3.3 Penalties, Sanctions and Bankruptcy

None of the Company's directors, executive officers, or control persons, or issuers of which they were a director, executive, officer, or control person at the time, has been any time during the last 10 years:

- (a) subject to any penalty or sanction;
- (b) subject to any cease trading order in effect for more than 30 consecutive days; or
- (c) the subject of any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets,

except our CEO, director, and principal shareholder, Marcus New:

- (i) who in 2011 was the CEO and Director of Invictus Financial Inc. a publicly listed shell company and had beneficial ownership of, or control or direction over, in excess of 10% of Invictus' outstanding common shares. On December 8th, 2011, the BCSC issued a cease trade order (the "BC Order") against Invictus for failure to file interim financial statements and management's discussion and analysis for the fiscal period ended September 30th, 2011. On March 8th, 2012, the Alberta Securities Commission ("ASC") issued a cease trade order (the "Alberta Order") against Invictus for failure to file interim financial statements and management's discussion and analysis for the same fiscal period. On November 7, 2012, Invictus filed its financial statements and management's discussion and analysis on SEDAR and on December 14, 2012, it filed an application with the BCSC and ASC for a full revocation of the cease trade orders. On June 26th, 2013, the BC Order was revoked by the BCSC and on June 28th, 2013, the Alberta Order was revoked by the ASC. Invictus is currently seeking new business opportunities.
- (ii) Mr. New was a director of Stockgroup Media Inc., a private company, when in July 2010 it made a proposal to creditors to accept a one-time payment to reduce the historical account payable balance incurred during the financial market crises in 2008/2009 and to continue with the creditors going forward on a current basis. The creditors voted 100% in favour of the proposal.

### 3.4 Loans

The following loans are current as of a date not more than 30 days prior to the date of this Offering Memorandum:

As described above, Radical provided a loan to the Company in the aggregate amount of \$303,000. Interest is payable on any outstanding loan amounts at the rate of 5% per annum, calculated semi-annually and not in advance, and payable monthly. The security for the loan is a general security agreement over the assets of the Company's assets.

#### ITEM 4: CAPITAL STRUCTURE

##### 4.1 Share Capital

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding		
			As at August 20, 2015	After the Minimum Offering	After the Maximum Offering
Common Shares	Unlimited	<sup>(1)</sup>	7,719,904	8,113,604	8,901,006
Employee Stock Option- common shares	1,155,000	C\$1.00	0	1,155,000	1,155,000

Notes:

- (1) On November 2, 2011, 100 Class C Shares were issued to the founders of the Company. On February 4, 2014, the Company sub-divided the Class C Shares on a 1 for 55,000 basis. On February 18, 2014, the Company re-named the Class C Shares to Common Shares. As part of the negotiation with the Company and its first round investors, the Common Shares were rolled forward to 5,500,000 Common Shares to compensate the founders for contributing the initial technology, start-up costs and the U.S.\$2.7 million pre-paid Stockhouse marketing contract. Between February 18, 2014, and July 1, 2014, 2,150,000 Common Shares were issued at a price of U.S.\$0.92 per Common Share for proceeds of \$1,980,150 to investors including Marcus New who, through Cherubim and Radical, subscribed for the Common Shares for an aggregate price of U.S.\$230,250. On December 23, 2014, 69,904 Common Shares were issued at U.S.\$2.27 per share for proceeds of \$159,449 to investors. These subscriptions resulted in a total contributed capital of \$2,139,599.
- (2) There are no other issued or outstanding options, warrants, or other securities convertible into Common Shares.

##### 4.2 Long Term Debt Securities

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at [a date not more than 30 days prior to the offering memorandum date]
None			\$

##### 4.3 Prior Sales

Within the past 12 months, we have issued the following Common Shares (and no securities convertible or exchangeable into Common Shares) as set out in the following table.

<b>Date of Issuance</b>	<b>Type of Security Issued</b>	<b>Number of Securities Issued</b>	<b>Price per Security</b>	<b>Total Funds Received</b>
December 23, 2014	Common Shares	70,133	U.S.\$2.28	U.S.\$159,449

## **ITEM 5: SECURITIES OFFERED**

### **5.1 Terms of Securities**

All Company shares issued to date, and those issued pursuant to this Offering Memorandum are Common Shares with no par value and are fully paid and non-assessable.

#### ***Voting***

Each Common Share has one vote at every meeting of shareholders.

#### ***Distribution of Profits***

Our Common Shares are not entitled to receive any distributions of net profits.

#### ***Restrictions on Ownership***

All shareholders of the Company must sign the Unanimous Shareholders' Agreement.

#### ***Redemption of Shares***

Our Common Shares are not redeemable.

#### ***Transferability***

Our Common Shares are subject to restrictions on transfer:

- (a) as detailed in the Unanimous Shareholders' Agreement; and
- (b) imposed by applicable securities legislation (see Item 10 Resale Restrictions).

#### ***Conversion***

Our Common Shares are not convertible into any other form of share or security.

#### ***Liquidation Entitlement***

If the Company is liquidated, dissolved or wound-up, the proceeds after payment of all expenses and outstanding indebtedness will be paid to shareholders on a pro-rata basis unless there is a preferred class of shares which terms will dictate payout.

#### ***Amendment of Terms***

The terms of our Common Shares may only be amended with the approval of not less than two-thirds of the holders of Common Shares.



## 5.2 Subscription Procedure

### *Purchase Procedure*

To purchase the Common Shares, the following documents must be sent by the Subscriber to the Company:

- (a) an executed copy of the Risk Acknowledgment Form attached hereto as Appendix “A”, if the purchaser is residing in a jurisdiction other than Ontario;
- (b) an executed copy of the Subscription Agreement including all applicable Schedules attached hereto as Appendix “B”;
- (c) an executed copy of the Unanimous Shareholders’ Agreement attached hereto as Appendix “C”; and
- (d) a wire transfer, certified or cashier’s cheque in the amount of the aggregate purchase price of the Common Shares payable to InvestX Capital Ltd., to be held in trust for a minimum of two business days following the execution of the Subscription Agreement by the Subscriber.

Once executed and delivered by the Subscriber, a Subscription Agreement constitutes an offer to the Company to purchase the Common Shares described in the Subscription Agreement.

Following execution of the Subscription Agreement by the Company, the Subscriber has no right to withdraw the amount of the purchase payment or any interest earned thereon, subject to the statutory two business days cooling-off period. Amounts will remain in the Company’s escrow account pending satisfaction of the conditions set out in Item 5.2 – Subscription Procedure – Conditions of Sale.

### *Terms of Sale*

Shares will be sold only to Subscribers who have submitted the documentation specified in Item 5.2 – Subscription Procedure, duly executed and delivered. Pursuant to the Subscription Agreement, each Subscriber shall be bound by the Unanimous Shareholders’ Agreement, including the restrictions on transfer of the Common Shares set forth therein. (See Item 10 – Resale Restrictions.)

Once accepted by the Company, a Subscription Agreement remains in effect as long as the Common Shares purchased pursuant thereto remain outstanding. A Subscription Agreement terminates only upon (a) the purchase for cancellation of the Common Shares to which it relates, or (b) the liquidation of the Company. Upon a transfer of all Common Shares of a particular Class, the transferor is relieved of all restrictions and obligations under the Subscription Agreement which the transferor entered into upon the purchase of the Common Shares and the transferee, as a condition of the transfer, is required to agree to abide by all of the provisions of the Subscription Agreement and the Unanimous Shareholders’ Agreement.

### *Conditions of Sale*

The Company will maintain a segregated account at Royal Bank of Canada into which cheques and wires from purchasers will be deposited pending satisfaction of the conditions described below and subject to the purchaser's right to cancel the purchase of Common Shares within 2 business days after the execution of the Subscription Agreement. If these conditions of sale are not satisfied, the payments made by a purchaser for Common Shares will be returned without any interest. The Company has the right to reject any prospective purchaser for any reason whatsoever. If the Company determines to accept an offer to purchase the Common Shares, the Company will execute a copy of the Subscription Agreement remitted by the purchaser and return one copy to such purchaser. If a request to purchase is accepted, Common Shares will be issued and the purchaser will receive a certificate evidencing ownership of the Common Shares. If the Company determines not to accept an offer to purchase the Common Shares, or if the minimum Offering is not achieved, the Company will return the Subscription Agreement, without its signature thereon, together with all funds held in escrow without interest to the applicable prospective purchasers.

THIS OFFERING IS SUBJECT TO A MAXIMUM OFFERING OF 1,181,102 COMMON SHARES AND IS MADE ON A CONTINUOUS BASIS. UNLESS TERMINATED EARLIER BY THE COMPANY, THIS OFFERING WILL TERMINATE ON THE DATE ON WHICH ALL OF THE COMMON SHARES OFFERED HEREBY HAVE BEEN SOLD.

### *Eligibility to Purchase Common Shares*

Unless relying on the "offering memorandum" exemption pursuant to section 2.9 of National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106") an alternate exemption from the prospectus and registration requirements, subscribers resident in or otherwise subject to the securities laws of any Qualifying Jurisdiction where the Common Shares may be sold are required to fall within the definition of "accredited investor" (as such term is defined in NI 45-106). If the subscriber is not an individual, it may also rely on the "minimum amount" exemption under NI 45-106 by investing a minimum of \$150,000 paid in cash at the time of the subscription. Subscribers resident in the U.S. are required to fall within the definition of "accredited investor" (as such term is defined in Rule 501 of Regulation D) and in accordance with the methods identified in Rule 506(c) of Regulation D under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and its adopting release or other guidance provided by the Securities and Exchange Commission.

## **ITEM 6: INCOME TAX CONSEQUENCES**

### **6.1 Professional Advice**

This summary is of general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you.

## **6.2 Income Tax Considerations**

### **Material Canadian Federal Income Tax Considerations to Holders of Common Shares**

This summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder of Common Shares and no representation is made with respect to the income tax consequences to any such person. Accordingly, holders of Common Shares should consult their own tax advisors having regard to their particular circumstances.

The following summary describes the principal Canadian federal income tax considerations in respect of the holding or disposition of Common Shares generally applicable to a beneficial owner of Common Shares who, at all relevant times, for purposes of the Canadian Income Tax Act (“**Tax Act**”) (i) deals at arm’s length and is not affiliated with the Company; and (ii) holds such Common Shares as “capital property” (referred to in this portion of the summary as a “holder”). Generally, Common Shares will be capital property to a holder provided the holder does not hold those Common Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

#### ***Holders Resident in Canada***

This portion of the summary is generally applicable to a holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, is, or is deemed to be, resident in Canada (referred to in this portion of the summary as a “resident holder”). Certain resident holders may be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to deem to be capital property any Common Shares (and all other “Canadian securities”, as defined in the Tax Act) owned by such resident holder in the taxation year in which the election is made and in all subsequent taxation years. Resident holders whose Common Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This portion of the summary is not applicable to (i) a resident holder that is a “specified financial institution”, (ii) a resident holder an interest in which is a “tax shelter investment”, (iii) a resident holder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a “financial institution”, (iv) a resident holder that reports its “Canadian tax results” in a currency other than Canadian currency, or (v) a resident holder that enters into, with respect to its Common Shares, a “derivative forward agreement” as each such term is defined in the Tax Act. Such resident holders should consult their tax advisors with respect to the consequences of holding Common Shares.

#### ***Dividends***

A resident holder will be required to include in computing its income for a taxation year any dividends received on the Common Shares. In the case of a resident holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated as an eligible dividend in accordance with the provisions of the Tax Act. A dividend received by a resident holder that is a corporation will generally be deductible in computing the corporation’s taxable income.

A resident holder that is a “private corporation”, as defined in the Tax Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 33 1/3% under Part IV of the Tax Act on dividends received (or deemed to be received) on Common Shares to the extent such dividends are deductible in computing the holder’s taxable income for the taxation year.

### *Dispositions*

Generally, on a disposition or deemed disposition of a Common Share, a resident holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the resident holder of the common share immediately before the disposition or deemed disposition.

Generally, a resident holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (referred to in this portion of the summary as a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the *Tax Act*, a resident holder is required to deduct one-half of the amount of any capital loss (referred to in this portion of the summary as an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the resident holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a resident holder that is a corporation on the disposition of a common share may be reduced by the amount of any dividends received (or deemed to be received) by the resident holder on such share (or another share where the common share has been acquired in exchange for such other share) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a common share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident holders to whom these rules may be relevant should consult their own tax advisors.

### *Refundable Tax*

A resident holder that is throughout the taxation year a “Canadian-controlled private corporation”, as defined in the Tax Act, is liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains realized and dividends received or deemed to be received in respect of the Common Shares (but not dividends or deemed dividends that are deductible in computing taxable income).

### *Eligibility for Investment*

The Common Shares will not be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts.

### ***Holders Not Resident in Canada***

This portion of the summary is generally applicable to a holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Common Shares in a business carried on in Canada (referred to in this portion of the summary as a “non-resident holder”). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere.

The following portion of the summary assumes that the Common Shares will not be “taxable Canadian property” to any particular non-resident holder at any time. Generally, the Common Shares will not constitute taxable Canadian property to a non-resident holder at a particular time provided that more than 50% of the fair market value of Common Shares was not derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) “Canadian resource properties” (as defined in the Tax Act), (iii) “timber resource properties” (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, any of the foregoing property whether or not the property exists.

### ***Dividends***

Dividends paid or credited or deemed to be paid or credited on the Common Shares to a non-resident holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the non-resident holder is entitled under any applicable income tax convention.

### ***Dispositions***

A non-resident holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of Common Shares.

## **6.3 RRSP Eligibility**

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

## **ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS**

The Company may, at its sole discretion, pay a commission to a registered broker dealer of up to 7% cash on the gross amount raised by the broker and up to 7% of the number of Common Shares subscribed for in broker warrants, exercisable at US\$1.27 per Common Share up to 2 years following the closing of the Offering.

## **ITEM 8: RISK FACTORS**

Investment in online investment trading platform ventures such as that conducted by the Company is subject to certain risks, the most significant of which are described below. Therefore, prospective purchasers should carefully consider the following together with the information contained elsewhere in this Offering Memorandum before subscribing for Common Shares.

## ***Investment Risk***

### **Restrictions on Transfers; No Public Market**

There is presently no public market for the Common Shares and none is expected to develop in the foreseeable future. The Common Shares are subject to substantial restrictions on transfer under the Unanimous Shareholders' Agreement. Further restrictions are also imposed by the exemption from the registration and prospectus requirements of the Securities Laws pursuant to which the Common Shares are offered under this Offering Memorandum. Accordingly, the Common Shares may not be resold or otherwise transferred, except in accordance with the Unanimous Shareholders' Agreement or the terms of such exemption. (See Item 5.2 Subscription Procedure – Eligibility to Purchase Common Shares and Item 10 – Resale Restrictions.)

### **Dilution**

After completion of the Offering, then existing shareholders may have their interests diluted. The exercising of outstanding stock options shall also have a dilutive effect on the interests of the new purchasers of the Common Shares. Moreover, in the event the Corporation requires additional equity financing pursuant to the Common Shares offered under the Offering, purchasers of the additional Common Shares may experience further dilution to the extent that such Common Shares may be issued for a value less than the price paid for conversion of shares acquired hereunder.

## ***Issuer Risk***

### **Limited Operating History; Limited Capital**

The Company has not established any significant revenues or operations that will provide financial stability in the long term. Assuming the maximum number of Common Shares are sold pursuant to the Offering, the Company believes that the net proceeds from the Offering, together with its cash on hand from previous financings and its projected cash flow from operations, shall be sufficient to fund the Company's operations as currently conducted for at least the next 12 months. Such belief, however, is based upon assumptions, which may prove to be incorrect, including that the Company's cost estimates are accurate or that unforeseen events will not occur that would require the Company to seek additional funding to meet its operational needs. There can be no assurance that the Company can realize its plans on the projected timetable at all, in order to reach sustainable or profitable operations. In addition, there can be no assurance that the Company's cash flow generated from operations will be sufficient to implement the Company's business objectives. As a result, the Company may require substantial additional financing in order to implement its business objectives. There can be no assurances that the Company will be able to obtain additional funding when needed, or that such funding, if available, shall be available on terms acceptable to the Company. In the event that the Company's operations do not generate sufficient cash flow, or the Company cannot acquire additional funds if and when needed, the Company may be forced to curtail or cease its activities, which would likely result in the loss to investors of all or a substantial portion of their investments.

### Start-up Company

Investment in a start-up company such as the Company is inherently subject to many risks, and investors should be prepared to withstand a complete loss of their investments. The Company only has a limited operating history upon which investors may base an evaluation of its performance; therefore, it is still subject to the entire risks incident to the creation and development of a new business. The Company plans to conduct closings of sales of Common Shares as subscriptions are received.

### Intense competition

The Company's principal competitors may have greater financial resources and/or other competitive advantages as compared to those available to the Company. Intense competition for issuers and investors may have a material adverse effect on the Company's ability to effect its business plan and achieve its projected expectations, as set out in the Presentation.

### Dependence on Key Personnel

The Company is highly dependent on the services of Marcus New, the President and Chief Executive Officer and Director of the Company and the loss of his services could have an adverse effect on the future operations of the Company.

### Attraction and retention of professional and qualified personnel

The Company's ability to realize its objectives is dependent on its ability to attract and retain additional, qualified personnel. Competition for such personnel can be intense, and there can be no assurance that the Company's results shall not be adversely affected by difficulty in attracting and/or retaining qualified personnel.

### Unanimous Shareholders' Agreement

Holders of Common Shares will be required to enter into and be subject to the Unanimous Shareholders' Agreement of the Company.

### Control by Marcus New

Upon the completion of the Offering, Marcus New shall own, directly or indirectly, including through Cherubim Investment Company, more than fifty one percent of the Common Shares. As a result, Marcus New has a significant influence on the affairs and management of the Company, as well as on all matters requiring shareholder approval, including electing and removing members of the Company's board of directors (the "**Board**"). Such concentration of ownership and control could have the effect of delaying, deferring or preventing a change in control of the Company even when such a change of control may be in the best interests of the Company's other shareholders.

### Best Efforts Offering

The Common Shares are offered by the Company on a "best efforts" basis. No individual, firm or corporation has agreed in advance to purchase any of the Common Shares. No assurance can be given that any or all of the Common Shares shall be sold.

## No Payment of Dividends

The Company has never paid cash dividends on its Common Shares and does not intend to pay any cash dividends with respect to its Common Shares in the foreseeable future. The Company intends to retain any earnings for use in the operation of its business. The Company's Board shall determine dividend policy in the future based upon, among other things, the Company's results of operations, financial condition, contractual restrictions and other factors deemed relevant at the time. The Company intends to retain appropriate levels of its earnings, if any, to support the Company's business activities.

Directors. Certain of the directors of the Company also serve as consultants or directors of other companies involved in the online media and private equity industries. A possible conflict of interest may arise. (See Item 3 Interests of Directors, Management, Promoters and Principal Holders.)

Canadian Tax Risk. No income tax ruling has been requested in respect of Canadian income tax matters pertaining to the Company or its shareholders. Prospective investors should consult with their own tax advisors for advice as to the consequences of an investment in Common Shares.

Forward-Looking Statements. The business plan of the Company contains certain "forward-looking statements" regarding operation of the Company after the completion of the Offering, and is thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from results expressed or implied by such forward-looking statements.

## **ITEM 9: REPORTING OBLIGATIONS**

### **9.1 Continuous Reporting Documents**

The BCBCA requires the Company to provide shareholders with audited financial statements for each financial year. The statements must be sent to shareholders in connection with the Company's annual general meeting of shareholders held in the fall of each year. At the same time, the Company will send a letter to shareholders reporting on its previous year's business. From time to time, the Company may send out on its own accord, or in response to a request from one or more shareholders, further information to all shareholders such as a reporting letter and interim financial statements.

## **ITEM 10: RESALE RESTRICTIONS**

### **10.1 General Statement**

**Under applicable securities laws, the Common Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Common Shares unless the Company prepares and files a prospectus with applicable securities regulatory authorities or complies with an exemption from the prospectus and registration requirements under applicable securities legislation.**

This Offering is made only on a private placement basis to subscribers who are eligible to purchase Common Shares on an exempt basis under, and subject to compliance with, applicable Securities Laws. The Company is not a reporting issuer in any of the Provinces or Territories of Canada and does not intend



to become a reporting issuer in any Province or Territory of Canada. Further, the Common Shares have not been registered under the U.S. Securities Act, or any State securities laws. There is no market for the Common Shares.

The issue, transfer and resale of the Common Shares will also be subject to restrictions imposed by the terms of the Unanimous Shareholders' Agreement. Subject to the substantial restrictions on transfer imposed by the Unanimous Shareholders' Agreement, Subscribers will be able to transfer Common Shares to another person pursuant to another exemption from the prospectus and registration requirements of applicable securities laws, or pursuant to an order permitting such trade granted by applicable securities regulatory authorities in Canada and the U.S. The Company will be entitled to require and may require, as a condition of allowing any transfer of any Common Share, the transferor or transferee, at their expense, to furnish to the Company evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Company) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

## **10.2 Restricted Period**

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

- (a) unless permitted under securities legislation, you cannot trade the Common Shares before the date that is 4 months and a day after the date the Company becomes a reporting issuer in any Province or territory of Canada.

The Company has no intention or plan to proceed with becoming a reporting issuer in any jurisdiction and so the transfer restriction could continue indefinitely.

## **ITEM 11: PURCHASER'S RIGHTS**

*For purchasers resident in a Canadian province or territory other than Ontario, your purchase will be made in reliance on the "offering memorandum exemption" in section 2.9 of NI 45-106, the "accredited investor exemption" in section 2.3 of NI 45-106 or the "minimum amount investment exemption" in section 2.10 of NI 45-106.*

*For purchasers resident in Ontario, your purchase will be made in reliance on the "accredited investor exemption" in section 2.3 of NI 45-106 or the "minimum amount investment exemption" in section 2.10 of NI 45-106.*

*For purchasers resident in the U.S., your purchase will be made in reliance on exemptions from the prospectus requirement pursuant to Regulation D 506 (b) and 506 (c).*

*If you purchase the Common Shares you will have certain rights, some of which are described below. Different rights apply depending on which exemption is relied upon. However, the Subscription Agreement supplements those rights on a contractual basis such that all subscribers, wherever resident and regardless of the exemption relied upon, will be given substantially the same rights. Such rights are summarized below. For further information about your rights, you should consult a lawyer.*

### 11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second (2<sup>nd</sup>) business day after you sign the agreement to buy the securities.

### 11.2 Rights of Action in the Event of a Misrepresentation

The following rights of action for damages or rescission will apply to a purchase of the Common Shares. The applicable securities laws in certain Qualifying Jurisdictions provide purchasers, or requires that purchasers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it contains a misrepresentation (within the meaning of applicable Canadian securities laws). However, these remedies must be exercised within prescribed time limits. Purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a lawyer.

### 11.3 Statutory Rights for Subscribers Resident in Alberta and British Columbia

If there is a misrepresentation in this Offering Memorandum and you are resident in Alberta or British Columbia you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy the Common Shares; or
- (b) the Company, every director of the Company at the date of the Offering Memorandum and every person who signed the Offering Memorandum for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

### 11.4 Statutory Rights for Subscribers Resident in Ontario

Ontario Securities Commission Rule 45-501 (“**Rule 45-501**”) provides that when an offering memorandum, such as this Offering Memorandum, is delivered to an investor to whom securities are distributed in reliance upon the “accredited investor” prospectus exemption in Section 2.3 of National Instrument 45-106 – Prospectus and Registration Exemptions (“**NI 45-106**”) or other exemption therein, the right of action referred to in Section 130.1 of the Securities Act (Ontario) (“**Section 130.1**”) is applicable unless the prospective purchaser is:

- (a) a Canadian financial institution, meaning either:
  - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada),
- (c) The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada), or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1 provides purchasers who purchase securities offered by an offering memorandum with a statutory right of action against the issuer of securities and any selling securityholder for rescission or damages in the event that the offering memorandum or any amendment to it contains a “misrepresentation”, without regard to whether the purchaser relied on the “misrepresentation”. “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

In the event that this Offering Memorandum, together with any amendment, is delivered to a prospective purchaser of securities in connection with a trade made in reliance on Section 2.3 of NI 45-106 or other exemption therein, and this Offering Memorandum contains a misrepresentation, the purchaser who purchases a security offered by the Offering Memorandum during the period of distribution will have a statutory right of action against the Company and the selling securityholder(s), if any, for damages or, while still the owner of the securities, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that:

- (e) no action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or in the case of any other action other than an action of rescission, the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- (f) the defendant will not be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (g) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (h) in no case will the amount recoverable exceed the price at which the securities were offered to the purchaser; and

- (i) the statutory right of action for rescission or damages is in addition to and does not derogate from any other rights or remedies the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (Ontario) and the regulations and rules made under it, and you should refer to the complete text of those provisions.

### **11.5 Statutory Rights for Subscribers Resident in Québec**

If there is a misrepresentation in this Offering Memorandum and you are resident in Québec, you have a statutory right to sue:

- (a) to cancel your agreement to buy the Common Shares or have the price revised; and
- (b) among others, the Company, every director and officer of the Company, and a dealer under contract to the Company for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 3 years after you signed the agreement to purchase the securities. You must commence your action for damages within 3 years after learning of the misrepresentation, subject to additional limitations under the Québec Securities Act.

### **ITEM 12: FINANCIAL STATEMENTS**

Please see financial statements of the Company as enclosed below.

Date and Certificate

Dated the \_\_\_\_ day of September, 2015.

**This Offering Memorandum does not contain a misrepresentation.**

---

*(Signed)* Marcus New  
Chief Executive Officer

On behalf of the Board of Directors of InvestX Capital Ltd.

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*(Signed)*  
Pamela Springer  
Director

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*(Signed)*  
Michael Hagerman  
Director

APPENDIX "A"  
Form 45-106F4

***Complete TWO Copies of this Form if You Are Not an Accredited Investor (within the meaning of NI 45-106)***

**Form 45-106F4**

**Risk Acknowledgement**

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$\_\_\_\_\_ [total consideration] in total; this includes any amount I am obliged to pay in future. If applicable, InvestX Capital Ltd. will pay \$\_\_\_\_\_ [amount of fee or commission] of this to \_\_\_\_\_[name of person selling the securities] as a fee or commission.

**I acknowledge that this is a risky investment and that I could lose all the money I invest.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

**WARNING**

## **You have 2 business days to cancel your purchase**

To do so, send a notice to InvestX Capital Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by email or deliver it in person to InvestX Capital Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name: InvestX Capital Ltd.

Address: Suite 1625, 1185 West Georgia Street, Vancouver, British Columbia

Tel: 778-383-1028

E-mail: [contact@investx.com](mailto:contact@investx.com)

## **You are buying Exempt Market Securities**

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

You will receive an offering memorandum. Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

## **The securities you are buying are not listed**

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

## **You will not receive advice.**

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta to qualify as an eligible investor, you may be required to obtain that advice.

## **The issuer of your securities is a non-reporting issuer**

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta  
Alberta Securities Commission  
Tel: (403) 297-6454  
Website: <http://www.albertasecurities.com>

British Columbia  
British Columbia Securities Commission  
Tel: (604) 899-6500  
Website: <http://www.bcsc.bc.ca>

Ontario  
Ontario Securities Commission  
Tel: 416-593-8314  
Website: <http://www.osc.gov.on.ca>

Québec  
Autorité des marchés financiers  
Tel: (418) 525-0337  
Website: <http://www.lautorite.qc.ca/en/index.html>

***The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.***



**APPENDIX "B"**  
**SUBSCRIPTION AGREEMENT**

**[see attached]**

**APPENDIX "C"**  
**FORM OF UNANIMOUS SHAREHOLDER AGREEMENT**

**[see attached]**

**InvestX Capital Ltd.**  
**Consolidated Financial Statements**  
**Years Ended December 31, 2014 and 2013**  
**(Expressed in Canadian Dollars)**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of InvestX Capital Ltd.

We have audited the accompanying consolidated financial statements of InvestX Capital Ltd., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of InvestX Capital Ltd. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about InvestX Capital Ltd.'s ability to continue as a going concern.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
September 8, 2015

InvestX Capital Ltd.  
Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)  
As At:

	Note	December 31, 2014	December 31, 2013
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,149,118	\$ -
GST receivable		14,050	-
Prepaid expenses		23,128	-
		1,186,296	-
<b>Non-current assets</b>			
Equipment	3	10,893	-
Restricted cash	7	75,000	-
		85,893	-
		\$ 1,272,189	\$ -
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4	\$ 192,344	\$ -
<b>EQUITY</b>			
Share capital	6	2,296,447	10
Reserves	6	97,968	-
Deficit		(1,314,570)	(10)
		1,079,845	-
		\$ 1,272,189	\$ -

Nature and continuance of operations (Note 1)  
Subsequent events (Note 9)

Approved by the board on September 8, 2015

"Marcus New" Director

InvestX Capital Ltd.  
Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Notes	Years ended	
		December 31, 2014	December 31, 2013
<b>Expenses</b>			
Depreciation		\$ 1,297	\$ -
Consulting	7	167,654	-
Foreign exchange		1,052	-
Marketing		14,028	-
Office and administration		96,498	-
Professional fees		88,497	-
Rent		38,000	-
Share-based compensation	6	97,968	-
Travel and entertainment		55,841	-
Wages and salaries	7	753,725	-
Loss and comprehensive loss for the year		\$ (1,314,560)	\$ -
Loss per share – basic and diluted		\$ (0.18)	\$ -
Weighted average number of shares outstanding – basic and diluted		7,113,044	5,500,000

InvestX Capital Ltd.  
Consolidated Statement of Equity  
(Expressed in Canadian dollars)

	Note	Share capital		Reserves		Total
		Number of common shares	Amount	Share-based payment reserve	Deficit	
<b>Balance at December 31, 2012</b>		5,500,000	\$ 10	\$ -	\$ (10)	\$ -
Loss for the year		-	-	-	-	-
<b>Balance at December 31, 2013</b>		5,500,000	10	-	(10)	-
Shares issued for cash – private placement	6	2,220,133	2,332,346	-	-	2,332,346
Share issuance costs - cash	6	-	(35,909)	-	-	(35,909)
Share-based compensation	6	-	-	97,968	-	97,968
Loss for the year		-	-	-	(1,314,560)	(1,314,560)
<b>Balance at December 31, 2014</b>		7,720,133	\$ 2,296,447	\$ 97,968	\$ (1,314,570)	\$ 1,079,845

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

InvestX Capital Ltd.  
Consolidated Statements of Cash Flows  
(Expressed in Canadian dollars)

	Year ended	
	December 31, 2014	December 31, 2013
<b>Operating activities</b>		
Loss for the year	\$ (1,314,560)	\$ -
Adjustments for:		
Depreciation	1,297	-
Share-based compensation	97,968	-
Changes in non-cash working capital items:		
GST receivable	(14,050)	-
Prepaid expenses	(23,128)	-
Accounts payable and accrued liabilities	192,344	-
Net cash flows from operating activities	(1,060,129)	-
<b>Investing activities</b>		
Acquisition of equipment	(12,190)	-
Net cash flows from investing activities	(12,190)	-
<b>Financing activities</b>		
Issuance of common shares	2,332,346	-
Share issuance costs	(35,909)	-
Cash transferred to restricted cash	(75,000)	-
Net cash flows from financing activities	2,221,437	-
Change in cash and cash equivalents	1,149,118	-
Cash and cash equivalents, beginning	-	-
Cash and cash equivalents, ending	\$ 1,149,118	\$ -
<b>Cash and cash equivalents consists of:</b>		
Cash on deposit	49,118	-
Term deposit	1,100,000	-
	1,149,118	-

There were no non-cash transactions affecting cash flows from investing or financing activities during the years ended December 31, 2014 and 2013.

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



**1. Nature and continuance of operations**

InvestX Capital Ltd. (the “Company”) was incorporated on November 2, 2011 as Stockhouse Capital Ltd., under the laws of the province of British Columbia, Canada, and its principal activity is developing a platform facilitating access to private equity for retail accredited investors.

The head office, principal address and the registered and records office of the Company are located at 400 Burrard Street, Suite 1130, Vancouver, British Columbia, Canada, V6C 3A6.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the twelve months following the date of approval of these consolidated financial statements and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2014, the Company has not achieved profitable operations and is not able to finance its day to day activities through operations. These conditions may raise significant doubt as to the Company’s ability to continue as a going concern. The Company plans to finance cash requirements, through further equity financings or debt. There is no assurance however that additional financing can be obtained or if obtained on terms that are acceptable to the Company. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on recoverability and classification of assets or liabilities should the Company not be able to continue as a going concern.

**2. Significant accounting policies and basis of preparation**

The consolidated financial statements were authorized for issue on September 8, 2015 by the directors of the Company.

***Statement of compliance with International Financial Reporting Standards***

The consolidated financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

***Basis of preparation***

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

***Consolidation***

The consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned	
		December 31, 2014	December 31, 2013
InvestX Financial (Canada) Ltd.	Canada	100%	-
InvestX Master GP1 Inc.	Canada	100%	-

Inter-company balances and transactions are eliminated on consolidation.

***Significant estimates and assumptions***

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

## 2. Significant accounting policies and basis of preparation (continued)

### *Significant estimates and assumptions (continued)*

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value of stock based compensation and financial instruments and the recoverability and measurement of deferred tax assets.

### *Significant judgments*

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty as discussed in Note 1;
- the determination of the functional currency of the parent company and its subsidiaries which has been determined to be the Canadian dollar.

### *Share-based payments*

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### *Loss per share*

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

### *Financial instruments*

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss 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.

**2. Significant accounting policies and basis of preparation (continued)**

***Financial instruments (continued)***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with insignificant risk to changes in interest rate.

***Income taxes***

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**2. Significant accounting policies and basis of preparation (continued)**

Deferred income tax:

Deferred income tax is recognized by providing for temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts of assets and liabilities for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

***Equipment***

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of loss and comprehensive loss.

Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives of two years.

***Foreign Currency Translation***

The functional currency of the Company and its subsidiaries is the Canadian dollar. The reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date, while non-monetary assets and liabilities are translated at historic rates. Revenue and expenses are translated at the exchange rates approximating those in effect at the date of the transactions. Any gains or losses resulting from translation have been recorded in the statement of loss and comprehensive loss.

**Accounting standards issued but not yet effective**

***New standard IFRS 9 "Financial Instruments"***

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

**3. Equipment**

	<b>Computer Equipment</b>	<b>Furniture and Fixtures</b>	<b>Total</b>
<b>Cost:</b>			
December 31, 2013 and 2012	\$ -	\$ -	\$ -
Additions	10,778	1,412	12,190
December 31, 2014	10,778	1,412	12,190
<b>Accumulated depreciation:</b>			
December 31, 2013 and 2012	-	-	-
Additions	1,250	47	1,297
December 31, 2014	1,250	47	1,297
<b>Net book value:</b>			
December 31, 2013	-	-	-
December 31, 2014	\$ 9,528	\$ 1,365	\$ 10,893

**4. Accounts payable and accrued liabilities**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Accounts payable	\$ 110,021	\$ -
Accrued liabilities	4,126	-
Payroll liabilities	78,197	-
	\$ 192,344	\$ -

## 5. Income taxes

The reconciliation of the combined federal and provincial statutory income tax rate on the net loss for the year ended December 31, 2014 is as follows:

	December 31, 2014	December 31, 2013
Net loss	\$ (1,314,560)	\$ -
Statutory tax rate	26%	26%
Expected income tax recovery	(341,786)	-
Permanent differences	15,619	-
Temporary differences	2,022	-
Changes in tax benefits not recognized	323,965	-
Income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	December 31, 2014	December 31, 2013
Non-capital losses carried forward	\$ 316,159	\$ -
Equipment	337	-
Finance costs	7,469	-
Deferred tax assets not recognized	(323,965)	-
	\$ -	\$ -

As at December 31, 2014, the Company has loss carry forwards of approximately \$1,280,000 to reduce future federal and provincial taxable income expiring in 2034.

## 6. Share capital

### *Authorized share capital:*

Class	Number Authorized	Dividend Entitlement	Voting Rights	Priority of Liquidation	Redeemable/ Retractable	Redemption amount
Common shares	Unlimited	Yes	Voting	3 <sup>rd</sup>	No	N/A
Class A preferred shares	Unlimited	Yes	Non- Voting	1 <sup>st</sup>	Yes	Set by directors
Class B preferred shares	Unlimited	Yes	Non- Voting	1 <sup>st</sup>	Yes	Set by directors
Class C preferred shares	Unlimited	No	Non- Voting	2 <sup>nd</sup>	Yes	\$100

As at December 31, 2014 and 2013, 7,720,133 and 5,500,000 common shares were issued.

**6. Share capital (continued)**

***Share Split***

On February 18, 2014, the Company completed a subdivision of existing shares at 55,000 to 1. All share, and per share amounts have are shown on a post share split basis.

***Private placements***

From February 18, 2014 to July 1, 2014, the Company issued 2,150,000 shares at a price of \$1.00 per share for gross proceeds of \$2,150,000. Finder's fees of \$35,909 were incurred in connection with this transaction.

On December 23, 2014, the Company issued 70,133 shares at a price of \$2.60 per share for gross proceeds of \$182,346.

***Stock options***

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time in its discretion grant to directors, officers, employees non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 15% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company. On exercise, each option allows the holder to purchase one common share of the Company. For officers and employees, options granted typically vest one-fourth per year on each anniversary subsequent to the grant date. For directors, options granted typically vest one-third per year on each anniversary subsequent to the grant date.

The changes in options during the years ended December 31, 2014 and 2013 are as follows:

	<b>Number of options</b>
Options outstanding, December 31, 2013 and 2012	-
Options granted	1,116,074
Options forfeited	(338,805)
Options outstanding, ending December 31, 2014	777,269
Options exercisable, December 31, 2014	-

The weighted average remaining contractual life of options outstanding is 9.33 years. The options expire between April 16, 2024 and November 10, 2024.

The weighted average grant date fair value of options granted during the year ended December 31, 2014 was \$0.34 (2013 - \$Nil). The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	<b>Year ended December 31, 2014</b>
Expected life of options	10 years
Annualized volatility	21.37%
Risk-free interest rate	1.97%
Dividend rate	0%

**6. Share capital (continued)**

During the year ended December 31, 2014, the Company recognized share-based compensation expense of \$97,968 (2013 - \$Nil), which was all recognized in the Consolidated Statement of Loss and Comprehensive Loss

***Share-based payment reserve***

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

**7. Related party transactions**

The Company has an outstanding loan balance of \$104,999 with its subsidiary, InvestX Financial (Canada) Ltd. The loan is unsecured, bears no interest and is due on demand. As part of the loan agreement \$75,000 of the funds are restricted to hold a minimum capital requirement of \$50,000 and estimated insurance deductible of \$25,000.

***Related party balances***

The following amounts due to related parties are included in trade payables and accrued liabilities:

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Companies controlled by directors of the Company	\$ 72,110	\$ -

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

***Key management personnel compensation***

	<b>Years ended</b>	
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Consulting Fees	\$ 45,250	\$ -
Wages and Salaries	75,098	-
	\$ 110,348	\$ -



## 8. Financial instruments and financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies..

### *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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

### *Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates and is not exposed to significant foreign exchange risk.

### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would have an impact on the Company's net loss of \$10,000.

### *Classification of financial instruments*

Financial assets included in the statement of financial position are as follows:

	Classification	December 31, 2014	December 31, 2013
Cash and cash equivalents	FVTPL	\$ 1,149,118	\$ -
Restricted cash	FVTPL	75,000	-
		\$ 1,224,118	\$ -

**8. Financial instruments and financial risk management (continued)**

Financial liabilities included in the statement of financial position are as follows:

	<b>Classification</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Accounts payable and accrued liabilities	FVTPL	\$ 110,021	\$ -

***Fair value***

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents and restricted cash have been measured using level 1 inputs. The fair value of accounts payable and payroll liabilities approximate their carrying valued due to their short terms to maturity.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents.

There were no changes in the Company's approach to capital management during the year.

**9. Subsequent events**

Subsequent to the year ended December 31, 2014 the Company entered the following transactions:

- a) The Company received loans totaling US\$303,000 from a related party. The loans bear interest at 5%, are unsecured, and are payable on demand.
- b) The Company issued a total of 46,000 stock options exercisable at a price of \$1.00 per option for a period of 10 years.
- c) The Company approved an offering of common shares for maximum proceed of US\$1,500,000 or minimum proceeds of US\$500,000 at a price per \$US1.27 per common share.