

*This offering memorandum (the "**Offering Memorandum**") constitutes an offering of securities in the Offering Jurisdictions (as defined herein), to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities offered hereby and any representation to the contrary is an offence. Persons who acquire securities pursuant to this Offering Memorandum will not have the benefit of the review of this material by any securities commission or similar authority. This Offering Memorandum is for the sole use of those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisers, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.*

OFFERING MEMORANDUM

Date: April 16, 2017

The Issuer

Name: CONVERTIBLE LOGISTICS CORPORATION (the "**Corporation**" or "**Issuer**")

Head Office: Suite 104, 3115 – 12th Street NE

Calgary, AB T2E 7J2

Phone: 1 (587) 351-1137

Fax: 1 (587) 351-1138

E-mail: jennifer.h@convertibleconcepts.com

Currently listed or quoted: No. **These securities do not trade on any exchange or market.**

Reporting issuer: No.

SEDAR Filer: Yes.

The Offering

Securities Offered:	A continuous offering of common units (the " Common Units ") consisting of Class "A" Common Shares in the capital of the Corporation (the " Common Shares ") and common share purchase warrants (each, a " Common Warrant "), each Common Warrant exercisable for one Common Share at a price of \$0.50 per Common Share until May 19, 2017 and preferred units (the " Preferred Units ") consisting of series 1 preferred shares in the capital of the Corporation (the " Preferred Shares ") and preferred share purchase warrants (each a " Preferred Warrant "), each such Preferred Warrant exercisable for one Preferred Share at a price of \$0.50 per Preferred Share until May 19, 2017. See " <i>Item 5 – Securities Offered</i> ".
Price per Security:	\$0.01 per one (1) Common Unit and \$0.01 per one (1) Preferred Unit.
Minimum/Maximum Offering:	There is no minimum. You may be the only purchaser. The maximum anticipated Offering for all Common Units and Preferred Units is \$5,612. Additionally, if all Warrants (as defined herein) are also exercised, it would mean a maximum offering of \$286,188. Funds available under the Offering (as defined herein) will not be sufficient to accomplish the Corporation's proposed objectives and the Corporation will need to raise additional capital from subsequent offerings to achieve its objectives.
Minimum Subscription Amount:	There is no minimum subscription amount an investor must invest.
Payment Terms:	Subscription proceeds must be paid by cheque or bank draft from a Canadian chartered bank or such other form of payment acceptable to the Corporation and made payable to " Convertible Logistics Corporation " in the amount of the aggregate Subscription Price (as defined herein) for the Common Units or Preferred Units, as the case may be. Full payment must be received by the Corporation prior to acceptance of each Subscriber's Subscription Agreement (as defined herein).
Proposed Closing Date(s):	Closings may occur from time to time as subscriptions are received and as determined by the Corporation. An estimated final closing date of May 3, 2017 is anticipated.
Income Tax Consequences:	There are important tax consequences to these securities. You should consult your own professional tax advisors to obtain advice respecting any tax consequences applicable to you. See " <i>Item 6 – Income Tax Consequences and RRSP Eligibility</i> ".
Selling Agent(s):	No. There is currently no selling agent for this Offering, but the Corporation reserves the right to retain one or more selling agents during the course of this Offering.
CONVERTIBLE LOGISTICS CORPORATION COPY – Please initial below and submit this page with your Subscription Agreement.	
<div style="border-top: 1px solid black; width: 100px; margin: 0 auto;"></div> Investor Initials	

Resale Restrictions:

You will be restricted from selling your securities for an indefinite period. See "*Item 10 – Resale Restrictions*".

Purchaser's Rights:

You have two (2) Business Days (as defined herein) 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– Purchasers' 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*".

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Income Tax Consequences:	There are important tax consequences to these securities. You should consult your own professional tax advisors to obtain advice respecting any tax consequences applicable to you. See " <i>Item 6 – Income Tax Consequences and RRSP Eligibility</i> ".
Selling Agent(s):	No. There is currently no selling agent for this Offering, but the Corporation reserves the right to retain one or more selling agents during the course of this Offering.

INVESTOR COPY – Please retain this complete copy of the Offering Memorandum for your records.

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Cautionary Statement Regarding Forward-Looking Information and Statements

Statements contained in this Offering Memorandum that are not historical facts are forward-looking information and statements that involve risks and uncertainties. Forward-looking information and statements include, but are not limited to, information and statements with respect to the viability of the concepts discussed herein, the expected use of proceeds, identification and existence of potential customers for the Business Methodology (as defined herein), the existence of economies of scale in the automotive logistics industry, the ability to identify profitable business opportunities, the ability to assemble a team of specialized agents to promote the business of the Corporation, the existence of specialized knowledge within the industry to provide a strategic advantage over competitors, the proper functioning of the Business Methodology, potential industry partners and the ability to enter into strategic contracts with same, the ability to enter into strategic contracts with potential suppliers and end use customers, possible synergies with the Convertible Trailer and AutoBox (as such terms are defined herein) and industry adoption of both such products, the ability to successfully market the services of the Corporation and convince potential customers of the benefits thereof, anticipated revenues and margins associated with the use of the Business Methodology, supply chain, standard shipping and automotive logistics industry practice, the timing and costs of the provision of services, including estimates of Management Fees (as defined herein) to be paid to CCC (as defined herein) under the Management Services Agreement (as defined herein), capital expenditures, costs and timing of the development of new services, success of marketing activities, timelines, estimates of fees associated with the Offering, requirements for additional capital through further financings and the ability to raise such funds, revenue streams, technological viability, and government regulation of the shipping and automotive logistics industry. In certain cases, forward-looking information and statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information and statements are based on a number of factors and assumptions that have been used to develop such information but which may prove to be incorrect. Although the Corporation believes that the expectations reflected in the forward-looking information and statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking information and statements are based upon a number of assumptions including, but not limited to, the completion of the Offering, the ability of the Corporation to obtain additional financing, the ability of the Corporation to identify business partners willing to enter into strategic associations with the Corporation, the existence of potential customers and their ability and readiness to adopt the Business Methodology, the ability and willingness of industry participants to adopt the Business Methodology, the ability of the Corporation to hire management and staff capable of fulfilling the Corporation's needs and objectives, the Corporation's ability to protect any intellectual property associated with the Business Methodology, the success of the Corporation's proposed marketing activities, the accuracy of the Corporation's estimates of costs associated with providing the services described herein and the potential revenues and margin associated with the provision of such services, the legal and regulatory framework applicable to the Business Methodology, the transportation sector's adoption of the Convertible Trailer and the AutoBox, the ability of CCC to effectively manage the business of the Corporation and the implementation of the Management Services Agreement, the ability of the Corporation to repay debts owing to CTM WW, general economic conditions, and anticipated costs and expenses of the Offering.

Forward-looking information and statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, both before and after the Offering, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information and statements. Such risks and other factors include, among others, risks related to the integration and viability of business partners; risks associated with the reliance on key members of the management team and board of directors, in particular William Pawluk; risks related to system development; risks related to business operations; actual results of current marketing activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; failure of suppliers to operate as anticipated; delays in obtaining governmental approvals; delays or failure in obtaining financing on acceptable terms, as well as those factors discussed under "Item 8 - Risk Factors" in this Offering Memorandum. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information and statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements 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 and statements.

The forward-looking information and statements contained in this Offering Memorandum are expressly qualified by the foregoing cautionary statements. Investors should read this entire Offering Memorandum and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

Note Regarding Industry Information

In certain sections of this Offering Memorandum, including without limitation "*Item 2.2 – Our Business*", the Corporation provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by management on the basis of its knowledge of the automotive transportation and logistics industry in which the Corporation intends to operate (including management's estimates and assumptions relating to the industry based on that knowledge). This third-party source information is derived from publicly available information sources that the Corporation believes are predominantly independent in nature. The Corporation believes that the provision of this third-party source information is relevant to the Corporation's activities, given its intended operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Corporation's activities in these areas will be successful to the extent to which operations in the areas in which the third-party source information is derived from were successful, or at all. Further, estimates of historical growth rates in the markets where we operate are not necessarily indicative of future growth rates in such markets.

Marketing Materials

"OM marketing materials" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators) are incorporated into this Offering Memorandum by reference. OM marketing materials shall be filed and available on the Corporation's SEDAR profile, at www.sedar.com, during any effective period of this Offering Memorandum. At this point in time, there are no marketing materials being distributed to potential investors.

DEFINITIONS

In this Offering Memorandum, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"ABCA" means the *Business Corporations Act* (Alberta).

"ABMC" means AutoBox Manufacturing Corp., a corporation incorporated pursuant to the laws of Alberta.

"AutoBox" means a collapsible, dry, intermodal container that is intended to be carried on open-deck trailers to store and transport goods.

"Business Day" means any day that is not a Saturday, Sunday or statutory or civic holiday in the City of Calgary.

"Business Methodology" means the conceptual framework and model known as Convertible Logistics Intelligence Centre and associated brand name rights, which comprises an approach for the analysis of inbound and outbound automotive logistical data and industry data for use with Convertible Hardware solutions and for management of Convertible-style logistics.

"CCC" means Convertible Concepts Corporation, a corporation incorporated pursuant to the laws of Alberta.

"CFPOA" means the *Corruption of Foreign Public Officials Act* (Canada).

"CLIC" is an acronym for 'Convertible Logistics Intelligence Centre'.

"CLIC Software Module" means a separate software module, developed by and owned by INFORM, for use with INFORM's SyncroTess software, as a customized application specifically for use with Convertible Hardware.

"Common Shares" means the Class "A" Common Shares in the capital of the Corporation.

"Common Units" means the securities issued pursuant to the Offering, such units consisting of one Common Share and one Common Warrant.

"Common Warrant" means a purchase warrant which upon exercise entitles the holder thereof to receive one Common Share upon the payment of \$0.50 per Common Share at any time until May 19, 2017.

"Consulting Services Agreement" has the meaning ascribed thereto in *"Item 2.7.4 – Consulting Services Agreement and Promissory Notes"*.

"Convertible Hardware" means any hardware products developed by any of the companies managed by CCC.

"Convertible Project" means any and all businesses and concept developments realized by CCC and all of the companies which it manages.

"Convertible Trailer" means a trailer that is designed by CTM WW and manufactured by one of its licensees, and is capable of hauling a full load of vehicles as well as a mixed load of both vehicles and dry goods by way of its ability to convert from a conventional auto hauler to a versatile flatbed trailer.

“Corporation” or “Issuer” means Convertible Logistics Corporation, a corporation incorporated pursuant to the laws of Alberta.

“CTM WW” means Convertible Trailer Manufacturing Worldwide Ltd., a corporation incorporated pursuant to the laws of Alberta.

“FCPA” means the *U.S. Foreign Corrupt Practices Act*.

“Independent Contractor” has the meaning ascribed thereto in *Item 2.7.6 – Independent Contractor Agreement*.

“INFORM” means INFORM GmbH, a software development company based in Aachen, Germany which is the developer of the software used to manifest the practical application of the Business Methodology.

“INFORM Agreement” means the Collaboration Agreement entered into as of January 20, 2017 between INFORM and the Corporation and which is described in *“Item 2.7.5 – INFORM Agreement”*.

“Management Fee” has the meaning ascribed thereto in *“Item 2.7.1 – Management Services Agreement with CCC”*.

“Management Services Agreement” means the agreement between the Corporation and CCC dated August 19, 2016, the terms of which are referred to in *“Item 2.7.1 – Management Services Agreement with CCC”*.

“Management Services” has the meaning ascribed thereto in *“Item 2.7.1 – Management Services Agreement with CCC”*.

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*, promulgated under the securities legislation of each of the Provinces of Canada.

“Offered Units” means the Common Units or Preferred Units being purchased hereunder by a Subscriber pursuant to a Subscription Agreement, as applicable.

“Offering” means the offering of Common Units and Preferred Units pursuant to the Offering Memorandum.

“Offering Jurisdictions” means the Provinces of Alberta, British Columbia and Ontario, and such other jurisdictions in Canada as the Corporation may determine from time to time in its sole discretion.

“Offering Memorandum” means this offering memorandum dated April 16, 2017, as amended or supplemented.

“Offering Memorandum Exemption” has the meaning ascribed thereto in *“Item 5.2 – Subscription Procedure”*.

“Person” means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

“Preferred Shares” means the Series 1 Preferred Shares in the capital of the Corporation.

“Preferred Units” means the securities issued by the Corporation pursuant to the Offering, such units consisting of one Preferred Share and one Preferred Warrant.

"Preferred Warrant" means a purchase warrant which upon exercise entitled the holder thereof to receive one Preferred Share upon the payment of \$0.50 per Preferred Share at any time until May 19, 2017.

"Promissory Notes" has the meaning ascribed thereto in *"Item 2.7.4 – Consulting Services Agreement and Promissory Notes"*.

"RRSP" means a registered retirement savings plan.

"Subscriber" means a subscriber for the Common Units or Preferred Units pursuant to this Offering Memorandum.

"Subscription Agreement" means the subscription agreement to subscribe for Common Units or Preferred Units, including all forms, schedules and exhibits attached thereto, in the form enclosed with this Offering Memorandum.

"Subscription Price" means the amount paid by a Subscriber for a Common Unit or a Preferred Unit.

"SynchroTESS" means the software owned and developed by INFORM for the optimization of automotive logistical processes.

"Trademarks" has the meaning ascribed thereto in *"Item 2.7.2 – Trademark Assignment Agreement with CCC"*.

"Trademark Assignment Agreement" has the meaning ascribed thereto in *"Item 2.7.2 – Trademark Assignment Agreement with CCC"*.

"Trademark License Agreement" has the meaning ascribed thereto in *"Item 2.7.3 – Trademark License Agreement"*.

"Warrants" means, collectively, the Common Warrants and the Preferred Warrants.

Item 1: Use of Available Funds**1.1 Funds**

		Assuming Min. Offering	Assuming Max. Offering
A.	Amount to be raised by this Offering	\$0	\$286,188
B.	Selling commissions and fees	None	None
C.	Estimated Offering Costs (e.g. legal, accounting and auditing) ⁽¹⁾	\$53,820	\$53,820
D.	Available funds: $D = A - (B+C)$	(\$53,820)	\$232,368
E.	Additional sources of funding required ⁽²⁾	\$0	\$0
F.	Working capital deficiency ⁽³⁾	\$1,036,723	\$1,036,723
G.	Total: $G = (D+E) - F$	(\$1,090,543)	(\$804,355) ⁽⁴⁾

Notes:

- (1) This amount consists of audit fees of \$8,820.00 in connection with the preparation and audit of the financial statements attached hereto, legal fees of approximately \$45,000 in connection with the preparation of the Offering Memorandum and attending to matters concerning the closing of the Offering.
- (2) No additional sources of funding have been arranged by the Corporation. Failure to attain funding goals will cause available funds to be allocated according to the priority set out in "Item 1.2 – Use of Available Funds".
- (3) The working capital deficiency is made up primarily of liabilities owing to CTM WW as of February 28, 2017, and pursuant to the Promissory Notes and Consulting Services Agreement as further detailed (including repayment terms) in "Item 2.7.4- Consulting Services Agreement and Promissory Notes". The Corporation intends to manage this deficiency by raising additional funds through a subsequent financing. Failure to raise such funds will result in the Corporation not being able to manage this deficiency or realize a profit. See "Item 8 - Risk Factors" in this Offering Memorandum.
- (4) This total does not account for potential additional funds which could be raised pursuant to a previous offering of Warrants that have not yet been exercised. Should such warrants be exercised in full, it would raise an additional \$891,010.00 for the Corporation. In addition, the Corporation intends to raise an additional amount through a subsequent financing, bringing the total amount raised pursuant to all offerings of \$6.5 million. See "Item 2.6 – Insufficient Funds" for further particulars in this regard.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the funds during the next thirty-six (36) months. The items are listed in order of priority:

Description of intended use of available funds listed in order of priority	Assuming Min. Offering	Assuming Max. Offering
Legal and Auditing Fees incurred to issue Common Units and Preferred Units	\$53,820	\$53,820
Administrative expenses including all office related expenses, travel expenses, consulting fees and the Management Fee paid to CCC pursuant to the Management Services Agreement ⁽¹⁾	\$0	\$678,670

Description of intended use of available funds listed in order of priority	Assuming Min. Offering	Assuming Max. Offering
Marketing activities including, but not limited to, attending conferences, business and sales meetings and other general promotional activities	\$0	\$622,200
Payments made to extinguish amounts owing pursuant to Promissory Notes ⁽²⁾⁽³⁾	\$0	\$0
Total:⁽⁴⁾⁽⁵⁾	\$53,820	\$1,354,690

Notes:

- (1) Pursuant to the Management Services Agreement, the Corporation is required to pay CCC an amount that is equal to: (i) all costs and expenses reasonably allocated by CCC for the provision of Management Services; (ii) a ten percent (10%) mark-up on these costs; (iii) ten (10%) percent of the Corporation's net revenue; and (iv) all applicable taxes. The total in this line above includes the estimated ten percent (10%) mark-up cost based on the forecasted cost of services for a three (3) year period. This total does not include the net revenue component of the Management Fee, as the Corporation does not currently earn revenue and the Corporation believes that any revenue estimate would be overly speculative at this time. See "*Item 2.7.1 – Management Services Agreement with CCC*".
- (2) Payments made to extinguish amounts owing pursuant to Promissory Notes would be considered to be related party payments. See *Item 2.7.4- Consulting Services Agreement and Promissory Notes* for particulars surrounding same.
- (3) All of the funds raised in the Offering will be used to cover the expenses of the Offering and related general administrative expenses. The Corporation will not be using any of the funds raised from the Offering to pay down the Promissory Notes or make any payments pursuant to the Consulting Services Agreement until such time as the Corporation generates sufficient revenue to make such payments feasible and as such, the working capital deficiency will persist until such time as the Corporation has raised additional funds to address this deficiency.
- (4) Amounts raised pursuant to this Offering will not be sufficient to extinguish the working capital deficiency noted in Table 1.1 above. The Corporation will be required to obtain further financing to be able to extinguish this working capital deficiency and to fund its operations in both the short term and long term.
- (5) Due to the significant working capital deficiency outlined in Table 1.1 above and the fact that the Corporation will be relying on a further financing (as outlined in Note 4 to Table 1.1) to raise sufficient capital to operate its business in both the short and long-term, the number in this line does not equal the total of line G in Table 1.1 since such number is a negative number.

1.3 Reallocation

The Corporation intends to spend the available funds as stated. The Corporation will reallocate funds only for sound business reasons.

Item 2: Business of the Corporation

2.1 Structure

The Corporation was incorporated under the ABCA on August 19, 2016. On November 4, 2016, the Corporation amended its articles to reclassify its common shares as Class "A" Common shares and to create new classes of common shares, being Class "B" Common shares and Class "C" Common non-voting shares and to also create a series of preferred shares, being Series 1 Preferred Shares. A copy of the articles of the Corporation are filed under the Corporation's profile at www.sedar.com.

2.2 Our Business

Automotive manufacturers presently employ thousands of people around the world to organize their freight flows in and out of their factories. The Corporation knows from experience that these manufacturers employ “inbound” logistics personnel who organize all of the parts and assemblies required for building their cars and then they employ “outbound” logistics personnel who organize the delivery of all of their finished vehicles to their respective destinations, dealerships, etc. In the Corporation’s experience, these two departments typically do not work together simply because the present auto carrier asset base is specialized to only transport vehicles to their destinations and then come home empty most of the time. Inbound products arrive at the auto manufacturing plants in regular dry freight type conveyances, so these logistics are blended with regular dry freight/general freight logistics.

The Corporation is not aware of any businesses that can perform dual type logistics and as such the Corporation believes that there have never been logistics specialists who could focus on synergizing both inbound and outbound automotive freight flows. Based on this, the Corporation does not believe that today’s logistics software systems have been developed to assist in managing both inbound and outbound automotive freight flows in a cohesive manner. To the Corporation’s knowledge, today’s general freight logistics are somehow assisted, in one way or another, with software that can optimize freight movements.

Furthermore, if automotive inbound and outbound auto logistics are not operated in unison, then the Corporation believes that automotive outbound logistics are not operated along with general non-automotive freight logistics. The Corporation believes that by doing so, economies of scale could be achieved with more volume and fewer empty miles on expensive transportation assets.

The Corporation believes the solution is to create a specialized Convertible-focused team and Convertible-focused process that can readily identify opportunities where the usage of the Business Methodology will assist to optimize supply chain flows in the automotive sector. In furtherance of this, the Corporation plans to have this specialized team and system also able to readily identify opportunities where the utilization of the Business Methodology should assist to optimize supply chain flows by blending automotive freight flows, both inbound and outbound, with general freight flows to gain economies of scale and reduce empty miles in expensive auto carrier and general transport assets around the world. The Business Methodology could potentially be utilized in road, rail and ocean modalities. The Business Methodology has the capacity and the aim to contain freight flow information for automotive movements around the world, both inbound and outbound, so that overlays can be created to readily identify all opportunities that exist between these inbound and outbound movements. Furthermore, this software system is intended to also track the movement of general freight flows around the world, which could also be overlaid with the automotive freight flows to recognize even further opportunities.

Potential customers for this system could be:

1. Any person or company in possession of and operating any Convertible Hardware.
2. Any original equipment manufacturer shipper that is looking to reduce their supply chain costs.
3. Any auto transport company that is hoping to reduce their empty miles and increase their profits in road, rail and ocean modalities.
4. Any general freight transportation company or logistics company interested in reducing freight flow costs by combining their general freight flows with automotive freight flows.
5. Truck drivers and owner operators who are looking to be supported by a specialized system that can assist them in optimizing the daily movements of their existing equipment. The Corporation’s system will be designed to track and trace all equipment movements and will assist in identifying the best routes for drivers to take when delivering their loads. Invoicing systems, bills of lading, electronic

proof of delivery systems and photography of after-hours delivery systems will all be key capabilities of this system.

6. While it is not clear who other users may be, as not all possibilities can be predicted, from experience, the Corporation believes that there will be other potential users who emerge as this program is developed.

There are countless logistics organizations around the world and within these there are a few large, key players in the automotive sector who specialize in automotive logistics. Some of these logistics organizations actually have separate inbound and outbound automotive logistics departments, much like the auto manufacturers already have. Some of them, in addition, have general freight logistics divisions as well. The Corporation does not consider them as competitors, but rather potential future partners and users of its systems and services. To the knowledge of the Corporation, hardware that can deliver both automotive and general freight does not currently exist, which represents an opportunity for the Corporation with companies which may look to the Corporation's systems for assistance to build their own teams. However, the Corporation expects to be in a better position to orchestrate appropriate runs that will help companies improve their freight logistics simply because it should know exactly where all the hardware will be, due to industry knowledge through its affiliated companies.

The Corporation's key strategic partner with respect to the software which provides a practical application of the Business Methodology is INFORM, a software company based in Aachen, Germany, who has approximately 750 people developing software for aerospace logistics, automotive logistics, medical logistics, and yard inventory management. INFORM is presently growing in the automotive sector due to a unique software that they have developed that is proprietary to their company, called SyncroTess. The Corporation has signed a collaborative agreement with INFORM under which INFORM has developed a separate software module for use with their proprietary SyncroTess software, as a customized application specifically for Convertible Hardware, referred to as the CLIC Software Module. The CLIC Software Module is a tool which is and will be marketed under the name Convertible Logistics Intelligence Centre ("CLIC"). As the agreement stands currently, both parties consider each other as complementary partners and believe that their collaborative efforts will accelerate the development of their market position. The CLIC Software Module is able to readily identify inbound and outbound automotive flows, along with general freight flows, that can work together to assist in supply chain cost reductions, as well as specific synergistic runs based on the use of hardware such as the Convertible Trailer and the AutoBox. INFORM believes in the Convertible Hardware and Business Methodology concept and wishes to become the primary company that can assist in scaling these solutions into the industry by supplying the intelligence necessary to do so. They believe that they have the confidence of many original equipment manufacturers already and expect to be an asset in the development of the business of the Corporation. Discussions are also underway to add additional key partners.

The Business Methodology is owned by the Corporation. The Business Methodology is embodied in the CLIC Software Module that has been developed by and is owned by INFORM for use in conjunction with SyncroTESS. The Corporation has an agreement that the Corporation will pay INFORM a per use commission for use of INFORM's CLIC Software Module. The Corporation and INFORM have entered into a contract under which INFORM provides the Corporation with access to the CLIC Software Module. INFORM has demonstrated an interest in supporting this initiative and the Corporation believes that further negotiations will put the Corporation in a strong position in the final business relationship with INFORM.

The Corporation has been granted rights to use certain user data (namely, inbound and outbound automotive logistical data of users of the CLIC Software Module) for industry analysis purposes with the understanding that INFORM will use such user data to perform the analysis for customers via the CLIC Software Module.

It is the intention to have the Corporation's Convertible-focused team, which includes CCC pursuant to the terms of the Management Services Agreement as well as sales agents retained by the Corporation on a consultancy basis, to approach all logistics managers that could benefit from using Convertible Hardware solutions and develop a plan that will assist each client. The Convertible Hardware concept continues to be

marketed at automotive conferences worldwide and this specialized team is expected to follow all of this activity in order to make connections with new and appropriate customers.

The Corporation is aware of many single owner/operator businesses in the automotive logistics industry. The Corporation believes that each of these people are looking for a way to improve their bottom line. The Corporation believes that they want to be more organized, more connected, and more efficient everywhere they go and the Corporation is intending to position itself to be able to assist with this. If the Corporation can demonstrate to them that they have the ability to streamline their workloads and make them more profitable, the Corporation expects that these types of businesses may be potential customers.

The Corporation's specialized team and processes, with the assistance of the Business Methodology, are expected to identify potential candidates for Convertible Hardware solutions. This team will be focused on coordinating contracts with shippers, logistics companies and transport groups to find the best combination of service providers to help optimize supply chain costs. They will work to develop the necessary relationships with the decision makers of automotive logistics companies and then propose the routes to each of the stakeholders and ideally create a final contract with all parties.

Each of these contracts is expected to represent a certain value. The conditions of the contracts (such as duration and services offered), will determine the percentage of revenue to be received by the Corporation. When an original equipment manufacturer offers a tender to bid, the Corporation will bid based on its Convertible-style solutions and logistics processes. The Corporation will bid on work for which it is possible to have two-way runs, meaning expectations of revenue in both directions. The Corporation expects that its bids will come in at lower prices due to reduced empty miles. When a tender is accepted, the Corporation will then offer this work to subcontractors, being service providers that, if using Convertible Hardware solutions, are expected to be able to perform their work for lower costs. The gross margin between anticipated revenue versus the expense of service providers is expected to be approximately 15% which is based on industry standard rates. Acting as a fourth party (non-asset based) logistics provider ("4PL"), is how the Corporation anticipates being able to achieve profitable operations. With this model of running revenue generating loads on every trip, the original equipment manufacturers are expected to benefit by having lower supply chain costs, while the truck operators would be expected to benefit with higher revenue per mile driven, and the Corporation would profit by making its own margin as outlined above.

The Corporation intends to hire subcontractors as sales agents within specific regions around the globe to help procure contracts with original equipment manufacturers and logistics companies. Each sales agent in each respective region is expected to be compensated by earning a percentage of each contract the sales agent negotiates, and are expected to therefore be incentivized to constantly seek out the most optimized runs for original equipment manufacturers and general freight transport companies alike. With this type of business model, transport companies of all kinds are expected to be more inclined to open up their freight flow information in order to access these optimized runs.

CCC, pursuant to the terms of the Management Services Agreement, will be promoting the Corporation along with the Convertible Trailer and the AutoBox, with all industry stakeholders throughout their promotion of Convertible Hardware style auto logistics. These projects are all expected to be complimentary to each other and therefore synergies should be created between each organization that are expected to help grow each of the respective businesses.

2.3 Development of Business

Start-Up and Product Development Stage

Although the concept and groundwork behind initiating the Corporation has been underway over the course of the last two (2) years, the Corporation is still in the start-up and development stage and was only recently incorporated on August 19, 2016. During these last two (2) years, the formation of the collaborative relationship with INFORM has taken place, as well as beginning to understand the fundamental requirements for the Business Methodology itself. The first version of the CLIC Software Module (which embodies the

Business Methodology concepts) has been completed and is in the initial stages of use and further development. Executing the specific Convertible-style logistics needed for this project is an ongoing and evolving process as both the Corporation and INFORM continue to understand the dynamics of each individual company participating, and refine both the Business Methodology and the CLIC Software Module accordingly.

To date, the Corporation has been involved in obtaining funding for its business and has raised a total of \$157,554.63 through the issuance of Common Units and the exercise of Common Warrants and \$39,945.00 through the issuance of Preferred Units and the exercise of Preferred Warrants through various closings which occurred on dates between November 25, 2016 and December 31, 2016.

Management Services Agreement

The Corporation entered into the Management Services Agreement as of August 19, 2016 as part of a larger effort to promote and develop the business of the Corporation. Pursuant to the terms and conditions of the Management Services Agreement, CCC will provide Management Services to the Corporation in return for payment by the Corporation of the Management Fee. See "*Item 2.7.1 – Management Services Agreement with CCC*".

Furthermore, the Corporation has assigned all right, title and interest in the Trademarks to CCC under the Trademark Assignment Agreement. See "*Item 2.7.2 – Trademark Assignment Agreement with CCC*". In return, CCC has granted the Corporation an exclusive license and right to use, advertise and display the Trademarks pursuant to the Trade-Mark License Agreement. See "*Item 2.7.3 – Trade-Mark License Agreement with CCC*".

The Trademark Assignment Agreement and the Trade-Mark License Agreement are considered to be major events in the development of the Corporation, as they are representative of the new structure of the Convertible Project and all of the associated companies within it. These agreements allow for CCC to ensure the continuity of the branding and use thereof across all of the companies it manages and the Convertible Project as a whole.

2.4 Long Term Objectives

The long-term goal of the Corporation is to achieve global scale utilization of the Business Methodology and consequently, Convertible Hardware and Convertible-style logistics. In order to achieve this goal, the Corporation intends to complete the following steps:

General Steps to Achieve Objectives	Target Completion Date	Approximate Related Costs for the next three years
The Corporation intends to deliver on the following four (4) key milestones outlined below during the course of the next three (3) years:	Ongoing	\$3,295,164 ⁽¹⁾⁽²⁾
1. Ongoing development of the Business Methodology;	Ongoing	Included in the number above
2. Procure logistics data from both automotive and non-automotive sources worldwide to grow the database and increase backhaul options for all participants;	Ongoing	Included in the number above
3. Secure logistics contracts with automotive and non-automotive customers alike; and	Ongoing	Included in the number above
4. Gain wider systems exposure by investing in	Ongoing	\$622,200

further marketing activities, including but not limited to, participating in conferences, business meetings and sales activities.		
TOTAL:		\$3,917,364

Notes:

- (1) This cost includes the estimated labour expenses associated with achieving these four (4) key milestones.
- (2) The Corporation intends to have the funds necessary for these costs by completing a subsequent offering of both Common Shares and Preferred Shares at \$1.00/share for a combined total amount raised of \$6.5 million. (See *Item 2.6 – Insufficient Funds*).

2.5 Short Term Objectives and How We Intend to Achieve Them

The Corporation's business objectives for the next twelve (12) months are to complete the offering of up to 438,151 Common Units and up to 123,000 Preferred Units pursuant to this Offering Memorandum plus an additional financing of up to \$6.5 million in Common Shares and Preferred Shares pursuant to a separate offering (See "*Item 2.6 – Insufficient Funds*") and to invest the net subscription proceeds therefrom in the continued development of the Business Methodology through the CLIC Software Module, the development of the Convertible Logistics team and in the acquisition of data to further optimize the Business Methodology and the CLIC Software Module for all users, in addition to covering the general and administrative expenses of the Corporation. The Corporation intends to meet the following objectives for the next twelve (12) months as follows:

What we must do and how we will do it	Target Completion Date	Our cost to complete⁽¹⁾
Complete a subsequent offering of both Common Shares and Preferred Shares to raise a total amount of \$6.5 million for all of the Corporation's offerings.	December 31, 2017	\$450,000 ⁽²⁾
Invest in CCC's or the Corporation's expertise, as applicable, by employing experienced management and staff to manage and run the Corporation.	Ongoing	\$987,055
Build exposure for the Business Methodology amongst potential business partners, sales distribution channels and customers by conducting further marketing activities, including but not limited to attending conferences, business meetings and sales meetings.	Ongoing	\$228,140
TOTALS:		\$1,665,195

Notes:

- (1) Given that these are the Corporation's short-term objectives, the costs listed are the projected costs for these items for a one (1) year period.
- (2) This amount reflects the commissions which would be expected to be payable in connection with the subsequent financing, such commissions expected to be 8% of the amounts raised.

2.6 Insufficient Funds

Following this Offering, the Corporation intends to do an additional offering of Common Shares and Preferred Shares at \$1 per share to raise a total of \$6.5 million amongst the multiple offerings described herein. The Corporation is aiming to raise a total of \$5,996,180 (net of offering costs) to meet the short and long-term

objectives set out in Items 2.4 and 2.5 of this Offering Memorandum. The Corporation estimates that the total amount of funding required to accomplish these objectives, to the extent such costs are currently known, is approximately \$5,996,180. Therefore, the funds available as a result of this Offering will not be sufficient to accomplish the objectives of the Corporation described in Items 2.4 and 2.5. This Offering is intended as an opportunity for current ABMC shareholders to buy into the Corporation at a nominal price. There is no assurance that alternative financing will be available. In two (2) years, the Corporation hopes to develop sufficient revenue streams to continue development and operations.

2.7 Material Agreements

For the purposes of this Offering Memorandum, CCC, CTM WW and ABMC are each considered to be related parties of the Corporation by virtue of common management and control. The current directors and officers of CCC, CTM WW and ABMC who are also directors and officers of the Corporation are as follows:

Name	Office held with the Corporation	Office held with CCC	Office held with CTM WW	Office held with ABMC
Bill Pawluk	Director, President and Secretary	Director, President	Director, President and Secretary	Director, President and Secretary
Allan Jensen	Director	Director,	N/A	Director
Jennifer Helmstaedt	Chief Operating Officer	Chief Operating Officer	Chief Operating Officer	Chief Operating Officer
Thomas Brier	VP Corporate Strategy & Business Development	VP Corporate Strategy & Business Development	VP Corporate Strategy & Business Development	VP Corporate Strategy & Business Development

Bill Pawluk and Allan Jensen have a material interest in the Corporation as well as CCC, CTM WW and ABMC. Jennifer Helmstaedt and Thomas Brier have no interest in CCC and only an immaterial interest in the other entities. Their respective holdings in each of those entities are as follows:

Name	The Corporation	CCC	CTM WW	ABMC
Bill Pawluk	19,999,001 Common Shares (46.63%) and 1,250,000 Preferred Shares (32.90%)	5,000,000 common shares (50%) and 1,000,000 preferred shares (50%)	6,090,000 common shares (39.44%) and 500,000 preferred shares (21.54%)	12,475,350 common shares (44.00%) and 1,000,000 preferred shares (29.41%)
Allan Jensen⁽¹⁾	20,000,000 Common Shares (46.63%) and 1,250,000 Preferred Shares (32.90%)	5,000,000 common shares (50%) and 1,000,000 preferred shares (50%)	5,970,883 common shares (38.67%) and 1,000,000 preferred shares (43.08%)	12,475,350 common shares (44.00%) and 1,000,000 preferred shares (29.41%)

Name	The Corporation	CCC	CTM WW	ABMC
Jennifer Helmstaedt	55,000 Common Shares (0.23%)	N/A	70,000 common shares (0.45%)	55,000 common shares (0.19%)
Thomas Brier	150,000 Common Shares (0.35%)	N/A	20,000 common shares (0.13%)	128,000 common shares (0.45%)

⁽¹⁾ Allan Jensen owns one hundred percent (100%) of Jensen Consulting Ltd., which holds all of the shares listed in the table above.

In light of the above, each of the material agreements described below are considered to be related party agreements for the purposes of this Offering Memorandum.

The following are the key terms of all material agreements that can be reasonably regarded as being material to the Corporation or a prospective purchaser of Common Units or Preferred Units.

2.7.1 Management Services Agreement with CCC

On August 19, 2016, the Corporation entered into the Management Services Agreement, whereby CCC will provide management services to the Corporation, including, but not limited to strategic marketing, commercialization guidance, promoting the Convertible Project, and any additional duties and functions as may from time to time be agreed to by both parties (the “**Management Services**”), on the following terms and conditions:

- (a) **Management Fees:** The Corporation shall pay to CCC for its Management Services an amount equal to the total sum of:
 - (i) all costs and expenses reasonably allocated by CCC for the provision of Management Services, including, but not limited to the salaries, benefits, and expenses of its directors and officers, consultant fees, employment related costs, overhead, equipment, materials and supplies;
 - (ii) a ten percent (10%) mark-up on subsection (i) above for the provision of Management Services;
 - (iii) ten percent (10%) of the Corporation’s net revenue; and
 - (iv) all applicable taxes
 (collectively, the “**Management Fee**”).
- (b) **Payments:** During the term, CCC shall submit interim invoices to the Corporation reflecting the Management Fee owing at the end of each quarter, as well as a final invoice at the end of each calendar year reflecting the remainder of the Management Fee owing for such year. The Corporation shall pay these invoices within thirty (30) days of receipt. Overdue amounts shall remain due and interest will accrue on such overdue amounts, at a rate per annum equal to the prime rate or reference rate on commercial loans in Canada.
- (c) **Term:** The term of the Management Services Agreement commenced on August 19, 2016 and will continue for a period of five (5) years, and thereafter on a five (5) year option to renew basis unless

terminated by either party upon written notice to the other party at least sixty (60) days prior to the end of the then term of the Management Services Agreement.

- (d) **Voluntary Termination:** The Management Services Agreement may be terminated at any time by mutual agreement of the parties.

2.7.2 Trademark Assignment Agreement with CCC

The Corporation entered a trademark assignment agreement with CCC (the “**Trademark Assignment Agreement**”) as of August 19, 2016, whereby the Corporation agreed to transfer to CCC the ownership to all right, title, and interest in the trademarks associated with the Corporation (the “**Trademarks**”), subject to the following terms and conditions:

- (a) **Trademark Assignment:** The Corporation agreed to sell, transfer and assign to CCC, the Corporation’s entire right, title and interest in and to the Trademarks, including, without limitation, all registrations and applications therefore and the right to apply for and register the Trademarks, in Canada, the United States of America and all foreign countries, all common law and statutory rights related thereto, all rights of renewal and extension, and the right to sue and recover for damages and profits for past infringements thereof.
- (b) **Consideration:** Both parties agreed that CCC shall pay the Corporation \$1.00 for this assignment.

This assignment was executed in conjunction with the aforementioned Management Services Agreement in order for CCC to properly manage the requirements of the Corporation and the Convertible Project as a whole.

2.7.3 Trademark License Agreement with CCC

The Corporation entered into a trademark License Agreement with CCC (the “**Trademark License Agreement**”) as of August 19, 2016, whereby the Corporation was granted the license from CCC for the use of the Trademarks, subject to the following terms and conditions:

- (a) **Grant of License:** The Corporation acknowledged and agreed that CCC owns the right, title and interest in and to the Trademarks. CCC grants the Corporation exclusive license and right to use, advertise and display the Trademarks in association with wares and services in the field of the Convertible Project, throughout the world.
- (b) **Term:** The Trademark License Agreement is effective as and from the date on which the Corporation commenced use of any of the Trademarks, and shall remain in effect for a period of five (5) years, which is renewable at the option of the Corporation, or until terminated by mutual written agreement.
- (c) **Control over Character and Quality:** CCC has and will continue to have for the term of the Trademark License Agreement the right to directly and indirectly control and monitor the character, quality, and standards of the wares and services sold or provided, as the case may be, in association with the Trademarks, as well as the way the wares and services are sold or provided. Each of the wares and services provided by the Corporation in association with any of the Trademarks shall be in accordance with the standards of quality, style and image, all as shall from time to time be expressed, implied or designated by CCC.
- (d) **Restrictions:** The Corporation shall not contest or challenge CCC’s rights to the Trademarks. The Corporation shall, whenever reasonably possible, comply with any notices of ownership reasonably requested by CCC.

- (e) **Inspection:** CCC shall have the right to inspect, at the places where wares and services are being sold or rendered by the Corporation, including within offices shared by the Corporation and CCC, as well as job sites; the quality of wares and services sold or rendered by the Corporation and the display of the Trademarks.
- (f) **Consideration:** Both parties agreed that the Corporation shall pay CCC \$1.00 for these licensing rights.

2.7.4 Consulting Services Agreement and Promissory Notes

The Corporation is also party to a consulting services agreement (the “**Consulting Services Agreement**”) dated August 19, 2016, as amended and restated as of October 31, 2016, between the Corporation and CTM WW and two promissory notes (collectively, the “**Promissory Notes**”) each in the amount of \$500,000 and dated August 19, 2016 and October 31, 2016, respectively, and issued by the Corporation in favour of CTM WW.

Consulting Services Agreement

The Corporation received the benefit of consulting, promotional and management services from CTM WW, and, in particular, Bill Pawluk in his role as Chief Executive Officer of CTM WW, over the course of the past two years. The Consulting Services Agreement is intended to reflect and govern the provision of those services. Initially, CTM WW developed the concept of Convertible-style logistics and initiated the subsequent development of the CLIC Software Module and the use of the Business Methodology concepts. In conjunction with these developments, CTM WW simultaneously promoted the product and its potential applications at various conferences and events. Pursuant to the Consulting Services Agreement and the associated Promissory Notes, as of the date of this Offering Memorandum, the Corporation owed CTM WW an aggregate amount of \$1,000,000, payable on demand and without interest, for the management and consulting services provided by CTM WW.

Promissory Notes

In regards to the amounts owing to CTM WW under the Consulting Services Agreement, the Corporation issued the Promissory Notes, which are payable on demand and without interest, as repayment for costs incurred by CTM WW related to the consulting work that was performed on behalf of the Corporation, as well as any business development and promotions that have taken place up to the date of this Offering Memorandum. The Corporation has the right, at any time, to repay all or a portion of the balance owing without notice, penalty or bonus.

If sufficient funds are not raised by December 31, 2017 to repay these outstanding debts in full, the Corporation’s intention is that this debt will be paid off on a pro-rated schedule based on the amount of funds raised, which means that the actual amount of funds raised will be spent and allocated in order of priority and an appropriately budgeted amount will be used to repay these debts.

Conflict of Interest for the Consulting Services Agreement and Promissory Notes

The conflict of interest provisions in section 120 of the ABCA prohibited both Mr. Pawluk and Mr. Jensen from voting, as directors, upon the approval or entering into of the Consulting Services Agreement or the Promissory Notes by either CTM WW or the Corporation, due to their material ownership interests in both CTM WW and the Corporation as well as their positions as directors and/or officers of such entities. However, at a meeting of the shareholders of CTM WW held on November 26, 2016 following the entering into of the Consulting Services Agreement, the shareholders approved and ratified the entering into of the Consulting Services Agreement by CTM WW. In addition, the shareholders of the Corporation at the time of the entering into of the Consulting Services Agreement were only Messrs. Pawluk and Jensen and they authorized the entering into of this agreement on that basis. For more information regarding the risks associated with the Consulting Services Agreement and Promissory Notes, please see “*Item 8.2 – Issuer Risk*”.

2.7.5 INFORM Agreement

Pursuant to the INFORM Agreement, INFORM has agreed to collaborate with the Corporation in the development and commercialization of the Business Methodology through the CLIC Software Module. The SynchroTESS software works on a cloud based supply chain application platform offering an inbound and outbound automotive logistics community platform that co-ordinates the activities of car makers, automotive suppliers and logistics service providers. The INFORM Agreement contemplates the parties working together to use the SynchroTESS system as the basis of this platform with the CLIC Software Module working as a supplemental module to SynchroTESS in order to co-ordinate the logistics applicable specifically to the use of the Convertible Trailer and the AutoBox hardware, by customers of such equipment. The INFORM Agreement provides for the collaboration of the parties in relation to sales and marketing activities, support in sales processes with potential customers and sharing of customer lists. The INFORM Agreement contemplates using the SynchroTESS system with the CLIC Software Module as an 'add on' to optimize the business of each of INFORM and the Corporation. The INFORM Agreement contemplates an exclusive relationship for the duration of the agreement (which is three years with a three-year renewal option) with SynchroTESS being the exclusive software used by the Corporation in connection with the Business Methodology for the use with the Convertible Hardware. Pursuant to the INFORM Agreement, the Corporation has agreed to promote the SynchroTESS software in its sales presentations and to otherwise communicate the benefits of such software in marketing its business.

Pursuant to the INFORM Agreement, the parties have agreed to keep each other informed concerning their activities in relation to the marketing of the SynchroTESS software and the Business Methodology and their respective businesses in relation thereto and to have meetings at least every financial quarter to discuss same. INFORM will also provide the Corporation with marketing materials relating to the SynchroTESS software to be shown as part of sales presentations in explaining the benefits and advantages of this software program and the Business Methodology. Initially, the SynchroTESS software will be provided at no cost as part of a "proof of concept" trial phase (the "**Trial Phase**") of an indeterminate length while the SynchroTESS software and CLIC Software Module are tested on potential customers to ensure that the systems operate as envisioned by the parties to the INFORM Agreement. Following the Trial Phase, a fee amount determined on a pay-per-use basis will be established, such amount expected to be around €0.30 for each vehicle identification number which is tracked using SynchroTESS and the CLIC Software Module. Actual pricing, commissions for the Corporation, and the final content of the software solutions will be determined at a later date and subject to a further written agreement in relation to same.

The INFORM Agreement may be terminated immediately in writing to the extent that either party breaches any of its representations or warranties in the agreement or fails to fulfill a material covenant or acts in non-compliance with the non-disclosure agreement entered into concurrently with the INFORM Agreement and such breach or failure to act has not been rectified within 14 days of notice thereof. The INFORM Agreement may also be terminated in the event of the bankruptcy or other termination of the business of either party. Liability pursuant to the INFORM Agreement is limited to €10,000 per event and a maximum of €50,000 in total. The parties have also agreed to indemnify each other against claims by third parties related to the work done by such third parties in relation to the work contemplated by the INFORM Agreement. The INFORM Agreement does not grant any rights in any of the intellectual property of either party to the other. As such, INFORM maintains ownership over the SynchroTESS software and the CLIC Software Module, and the Corporation maintains ownership over the Business Methodology. However, the CLIC Software Module is the practical manifestation of the Business Methodology concepts, and the CLIC Software Module cannot operate independently of the SynchroTESS software and the Corporation does not currently have any alternatives for complementary supporting software in the event that access to the SynchroTESS software is discontinued or unavailable for any reason. See "*Item 8 – Risk Factors*" in relation thereto.

2.7.6 Independent Contractor Agreement

CCC, as the provider of Management Services to the Corporation, has entered into an independent contractor agreement (the "**Independent Contractor Agreement**") with Thomas Brier, (the "**Independent Contractor**") on January 1, 2017 to assist in the areas of business development and corporate strategy for

CCC and its associated companies (which includes the Corporation), subject to the following terms and conditions:

- (a) **Services:** CCC has agreed to engage the Independent Contractor to provide both CCC and its associated companies (which includes the Corporation) with the following services:
- participate in accelerating first revenue and customer acquisition by aiding with the development and execution of the Corporation's corporate strategy and business development plan;
 - further business development through liaisons with (automotive) logistics managers and automotive manufacturers;
 - involvement with fund raising activities for the Corporation by seeking out registered exempt market dealers wishing to enter into a sales relationship with the Corporation (the Corporation's overall goal is to raise \$6.5 million with the potential of additional funds needing to be raised beyond that);
 - additional services or amendments to the services described as agreed upon between the parties.
- (b) **Compensation:** For the services rendered by the Independent Contractor as required by the Independent Contractor Agreement, the Corporation will provide compensation (the "**Compensation**") to the Independent Contractor as follows:
- for the duration of the Independent Contractor Agreement, the Corporation has offered and the Independent Contractor has agreed to be compensated with shares at a monthly amount of 9,375 Common Shares.
 - shares will be awarded in equally in both ABMC and the Corporation. Invoicing from the Independent Contractor must be submitted monthly within seven (7) calendar days of month's end to the Corporation's accounting department.
 - the Compensation will be invoiced monthly and issued on an annual basis, while the Independent Contractor Agreement is in force.
 - the Compensation as stated in the Independent Contractor Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax and duties required by law will be charged to the Independent Contractor in addition to the Compensation. In addition, the Independent Contractor shall be reimbursed for expenses incurred in connection with the services provided pursuant to the Independent Contractor Agreement that have been approved in advance.
- (c) **Term:** The term of the Independent Contractor Agreement commenced on January 1, 2017 and continues until December 31, 2019, unless terminated earlier by either party upon written notice to the other party at least sixty (90) days prior to the end of the then term of the Independent Contractor Agreement.
- (d) **Voluntary Termination:** The Independent Contractor Agreement may be terminated at any time by mutual agreement of the parties, as set forth above, or in the event that the Independent Contractor breaches any of the terms of the Independent Contractor Agreement.

Item 3: Interests of Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the Corporation in most recent financial year and compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Corporation held after completion of min. offering	Number, type and percentage of securities of the Corporation held after completion of max. offering ⁽⁵⁾
Bill Pawluk ⁽¹⁾⁽³⁾ Calgary, AB	President and Secretary, since August 19, 2016 Director, since August 19, 2016	Nil	19,999,001 Common Shares (46.63%) and 1,250,000 Preferred Shares (32.90%)	19,999,001 Common Shares (45.78%) and 1,250,000 Preferred Shares (30.90%)
Allan Jensen ⁽²⁾⁽³⁾ Westlock, AB	Director, since August 19, 2016	Nil	20,000,000 Common Shares (46.63%) and 1,250,000 Preferred Shares (32.90%)	20,000,000 Common Shares (45.78%) and 1,250,000 Preferred Shares (30.90%)
Jennifer Helmstaedt Calgary, AB	Chief Operating Officer, since January 31, 2017	Nil	55,000 Common Shares (0.23%)	55,000 Common Shares (0.13%)
Thomas Brier Calgary, AB	VP Corporate Strategy & Business Development, since January 31, 2017	112,500 Class "A" Common Shares in the Corporation ⁽⁴⁾	150,000 Common Shares (0.35%)	150,000 Common Shares (0.34%)

Notes:

- (1) Mr. Pawluk currently receives an annual salary of \$120,000 from CTM WW for the services that he provides in his capacity as President and Secretary of CTM WW. The Corporation will repay amounts owing under the Promissory Notes and Consulting Services Agreement in accordance with the terms of those agreements. Amounts repaid to CTM WW by the Corporation will commingle with funds in the general accounts of CTM WW. As a result, a portion of Mr. Pawluk's CTM WW salary may include amounts paid by the Corporation to CTM WW. However, Mr. Pawluk has not received a specific fee or bonus in connection with the entering into of the Promissory Notes or Consulting Services Agreement by either the Corporation or CTM WW.
- (2) Allan Jensen owns one hundred percent (100%) of Jensen Consulting Ltd., which holds 20,000,000 Common Shares and 1,250,000 Preferred Shares.
- (3) Messrs. Pawluk and Jensen would also be considered to be promoters of the Corporation in that they each took the initiative in establishing and incorporating the Corporation and each own more than 10% of the issued and outstanding shares of the Corporation.
- (4) These shares are being issued from the personal holdings of Messrs. Pawluk and Jensen in equal amounts and not from treasury.
- (5) These totals do not account for potential additional shares which could be issued pursuant to a previous offering of Warrants that have not yet been exercised. Should such warrants be exercised in full, there could be an issuance of up to 832,020 additional Common Shares and up to 950,000 additional Preferred Shares.

3.2 Management Experience

Name	Principal occupation and related experience
Bill Pawluk	President and a director of the Corporation since inception. Since September 20, 2012, Bill Pawluk has been the President and CEO of CTM WW, a company incorporated under the ABCA and engaged in the design and manufacture of Convertible Trailers for use in automotive transportation. In his capacity as President and CEO of CTM WW, Mr. Pawluk has assisted in the initial engineering and design of the Convertible Trailer, and has travelled extensively to promote and market that product while pursuing development partnerships for CTM WW. Since April 2, 2015, Mr. Pawluk has also served as the President and CEO of ABMC, a company incorporated under the ABCA and engaged in the design, manufacturing and promotion of the AutoBox.
Allan Jensen	A mechanical engineer and business owner for over fifteen years, Mr. Jensen's principal occupations over the past five years have been in oilfield consulting and the management of his agricultural operations in Alberta. Contracted to Sigma Cubed Inc., an engineering company headquartered in Denver, Colorado, USA, Mr. Jensen's specific duties included the supervision of onsite fracture stimulation operations.
Jennifer Helmstaedt	Ms. Helmstaedt joined the team for the Convertible Project over 3.5 years ago and has been working in a growing capacity from the onset. Ms. Helmstaedt has recently been appointed as Chief Operating Officer of the Corporation, as well as in the other affiliated companies involved in the Convertible Project. Ms. Helmstaedt oversees many of the day to day operations of the Convertible Project and assists in the management of the entire Convertible Project.
Thomas Brier	<p>Mr. Brier has been President and CEO of BriCan Associates Consulting Ltd. ("BriCan") since its incorporation in 1991 and has acted in the capacity of director on several boards. Mr. Brier has led BriCan and its teams to assist companies engaged in large industrial projects with strategizing, negotiating, establishing and administering EPC/CM (engineering, procurement, construction and construction management) prime contracts, subcontracts, and related agreements. This work has been conducted throughout the world largely in the oil and gas, petrochemical, pipeline, power generation, mining, cement and pulp and paper businesses with asset values totaling over \$50 billion. In addition, he has served as President of WorldNet Employment and Immigration Services Inc. and President and Senior Partner at Frontline Technical Staffing Ltd.</p> <p>Mr. Brier is a long-time supporter and shareholder in each portion of the Convertible Project and is a Director on the board of CTPC. Mr. Brier's experience and successes in dealing with large, challenging, national and international projects directly supports his role as VP of Corporate Strategy and Business Development within the Corporation itself and the entire Convertible Project.</p>

3.3 Penalties, Sanctions and Bankruptcy

Except as disclosed below, there are no penalties or sanctions that have been in effect during the last ten (10) years or any cease trade order that has been in effect for a period of more than thirty (30) consecutive days against:

- (a) a director, executive officer or control person of the Corporation; or
- (b) an issuer of which a person or company referred to in (a) above was a director, executive officer or control person at the time,

nor have any such persons or companies during the last ten (10) years made any declaration of bankruptcy, voluntary assignment in bankruptcy, proposed under any bankruptcy or insolvency legislation or entered into any proceedings, arrangement or compromise with creditors or appointed a receiver, receiver-manager or trustee to hold assets.

On September 25, 2015, Messrs. Pawluk and Jensen entered into an undertaking with the Alberta Securities Commission (the "ASC") to not distribute any further securities of ABMC or distribute the offering memorandum of ABMC dated June 23, 2015 without first obtaining the consent of the Alberta Securities Commission. This undertaking was fulfilled on February 18, 2016 and is no longer in force and effect as of the date hereof.

3.4 Loans

As of the date of February 28, 2017, the only loans outstanding in respect of the Corporation are the Consulting Services Agreement and Promissory Notes. The Promissory Notes are non-interest bearing and payable on demand with no set repayment terms. See "Item 2.7.4– Consulting Services Agreement and Promissory Notes".

Item 4: Capital Structure

4.1 Share Capital

Description of Security	Number authorized to be issued	Number outstanding as at February 28, 2017	Number outstanding after min. offering	Number outstanding after max. offering ⁽¹⁾
Class "A" Common Shares	Unlimited	42,809,027	42,809,027	43,685,329
Class "B" Common Shares	Unlimited	0	0	0
Class "C" Common Non-Voting Shares	Unlimited	0	0	0
Series 1 Preferred Non-Voting Shares	Unlimited	3,799,500	3,799,500	4,045,500

Note:

- (1) This total does not account for potential additional shares which could be issued pursuant to a previous offering of Warrants that have not yet been exercised. Should such warrants be exercised in full, there could be an issuance of up to 832,020 additional Common Shares and up to 950,000 additional Preferred Shares.

4.2 Long Term Debt Securities

The Corporation currently has no current long-term debt securities, other than the Promissory Notes.

4.3 Prior Sales

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
August 19, 2016	Common Shares ⁽¹⁾	40,000,001	\$0.000001	\$40.00
August 19, 2016	Preferred Shares ⁽¹⁾	2,500,000	\$0.000001	\$2.50
November 30, 2016	Common Units ⁽²⁾	2,213,213	\$0.01	\$22,132.13
November 30, 2016	Preferred Units ⁽³⁾	1,194,500	\$0.01	\$11,945.00
December 1, 2016	Common Units ⁽²⁾	331,600	\$0.01	\$3,316.00
December 1, 2016	Preferred Units ⁽³⁾	50,000	\$0.01	\$500.00
December 31, 2016,	Common Shares ⁽⁴⁾	264,213	\$0.50	\$132,106.50
December 31, 2016	Preferred Shares ⁽⁵⁾	55,000	\$0.50	\$27,500.00

Notes:

- (1) These shares were issued to Messrs. Pawluk and Jensen in their capacity as founders of the Corporation for nominal consideration.
- (2) Each Common Unit consisted of one (1) Common Share and one (1) Common Warrant. The Common Warrants issued under this offering entitled holders to purchase one Common Share for an exercise price of \$0.50 per Common Share. The Common Warrants expired on December 31, 2016.
- (3) Each Preferred Unit consisted of one (1) Preferred Share and one (1) Preferred Warrant. The Preferred Warrants issued under this offering entitled holders to purchase one Preferred Share for an exercise price of \$0.50 per Preferred Share. The Preferred Warrants expired on December 31, 2016.
- (4) These Common Shares were issued on December 31, 2016 as a result of Common Warrants being exercised by subscribers who purchased Common Units under the offering described in Note (2) above.
- (5) These Preferred Shares were issued on December 31, 2016 as a result of Preferred Warrants being exercised by subscribers who purchased Preferred Units under the offering described in Note (3) above.

Item 5: Securities Offered

5.1 Terms of Securities

Terms of the Common Shares

The Common Shares are voting shares and accordingly Subscribers will have the right to one vote per Common Share at all meetings of the shareholders of the Corporation, except at meetings at which only holders of a specified class of shares are entitled to vote.

The Common Shares entitle the holder thereof to receive such dividends as the board of directors of the Corporation may declare from time to time in their sole discretion. The board of directors of the Corporation may declare such dividends if circumstances in the future are appropriate. There can be no assurances that dividends will ever be paid to holders of the Common Shares.

The Common Shares entitle the holder thereof to receive the remaining assets of the Corporation upon its dissolution, subject to the rights of any other holders of any other class of shares ranking in priority thereto, including the Preferred Shares, as discussed below.

The Common Shares are not convertible into any other securities of the Corporation and there are no redemption or retraction rights.

The Common Shares rank junior to the Preferred Shares with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary. Further, dividends may be declared on one class of shares at the discretion of the board of directors of the Corporation exclusive to the declaration of dividends on the other classes of shares.

For a further description of the outstanding number of Common Shares, see "*Item 4.1 – Share Capital*".

Terms of the Preferred Shares

The preferred shares of the Corporation may be issued from time to time in one or more series (with the Preferred Shares being the first such series) with such rights, restrictions, privileges, conditions and designations attached thereto as shall be fixed from time to time before issuance by any resolution or resolutions providing for the issue of the shares of any series which may be passed by the board of directors of the Corporation and confirmed and declared by articles of amendment. The preferred shares of the Corporation of each series shall rank on a parity with the preferred shares of the Corporation of every other series (including the Preferred Shares), provided, however, that when in the case of any of such shares any cumulative dividends or amounts payable on a return of capital are not paid in full in accordance with their respective terms, the preferred shares of the Corporation of all series shall participate rateably in respect of such dividends (including all unpaid accumulated dividends which for such purpose shall be calculated as if the same were accruing up to the date of payment) in accordance with the sums which would be payable on said shares if all such dividends were declared and paid in full in accordance with their respective terms, and on any return of capital in accordance with the sums which would be payable on such return of capital if all sums so payable were paid in full in accordance with their respective terms, and provided further that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the said shares with respect to return of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends as aforesaid.

The preferred shares of the Corporation shall be entitled to preference over the common shares of the Corporation (including the Common Shares) and any other shares of the Corporation ranking junior to the said preferred shares of the Corporation with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, to the extent fixed in the case of each respective series, and may also be given such other preferences over the common shares of the Corporation (including the Common Shares) and any other shares of the Corporation ranking junior to the said preferred shares of the Corporation as may be fixed in the case of each such series.

The Preferred Shares were created as the first series of preferred shares of the Corporation through the filing of articles of amendment on November 4, 2016. Subject to the ABCA, the holders of the Preferred Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting. Subject to the ABCA, the holders of the Preferred Shares shall not be entitled to any payment of dividends. The price or consideration payable entirely in lawful money of Canada at which the Preferred Shares shall be redeemed (the "**Preferred Share Redemption Price**") shall be \$1.00 per Preferred Share. The Corporation may, upon giving at least thirty (30) days' notice, as more specifically provided in the Articles of the Corporation, redeem or purchase the whole or any part of any Preferred Shares held by one or more shareholders on payment for each share to be redeemed or purchased of the Preferred Share Redemption Price.

Terms of the Warrants

The Warrants are exercisable into Common Shares or Preferred Shares, as the case may be, at a price of \$0.50 per share at any time up to May 19, 2017. The Warrants do not entitle the holder thereof to any voting rights or other rights to which a holder of Common Shares or Preferred Shares, as the case may be, is entitled until such time as the Warrants are exercised and the exercise price is paid in full. The Warrants are subject to adjustment in the event of certain corporate events, such as share splits and consolidations, in order to keep the economic interest of the holder the same as it would have been prior to the occurrence of such event.

5.2 Subscription Procedure

(a) Subscription Documents

Subscribers will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Offered Units that it is purchasing the securities as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the securities and that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, may not be available to the Subscriber. See *Item 11 – Purchaser’s Rights* for full particulars of the rights applicable to Subscribers depending on their Province of residence.

In order to subscribe for Common Units or Preferred Units, Subscribers must complete, execute and deliver the following documentation to the Corporation at Suite 104, 3115 – 12th Street NE, Calgary, AB T2E 7J2:

1. one (1) completed and signed copy of the Subscription Agreement (including any required schedules attached thereto);
2. a cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to “Convertible Logistics Corporation”;
3. completed and executed copies of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your specific circumstances and the amount of your investment:

(i) **If the Subscriber is resident in a Province or Territory of Canada:**

- i. you must execute two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto (one copy must be submitted to the Corporation and one copy may be retained for your records);
- ii. **AND, IF APPLICABLE, if the Subscriber is subscribing for more than \$10,000 in Offered Units but no more than \$30,000 in Offered Units, and including this purchase, has not purchased more than \$30,000 in securities utilizing the Offering Memorandum Exemption in the last 12 months**, one (1) copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule C;
- iii. **AND, IF APPLICABLE, if the Subscriber is subscribing for more than \$30,000 in Offered Units but no more than \$100,000 in Offered Units, and including this purchase, has not purchased more than \$100,000 in securities utilizing the Offering Memorandum Exemption in the last 12 months:**
 1. one (1) copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule C; and
 2. one (1) copy of the Portfolio Manager, Investment Dealer or Exempt Market Dealer Advice Certificate in the form attached to the Subscription Agreement as Schedule D;

(ii) **If the Subscriber is an Individual Accredited Investor and resident in a Province or Territory of Canada:**

- i. you must execute two (2) completed and signed copies of the Risk Acknowledgment

- Form attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto (one copy must be submitted to the Corporation and one copy may be retained for your records);
 - ii. two (2) copies of the Accredited Investor Risk Acknowledgement attached to the Subscription Agreement as Schedule E (please initial as indicated, one copy must be submitted to the Corporation and one copy may be retained for your records); and
 - iii. the Representation Letter in the form attached to the Subscription Agreement as Schedule E-1 (please initial Appendix A as indicated); or
- (iii) **If the Subscriber is a Non-Individual Accredited Investor and resident in a Province or Territory of Canada:**
- i. you must execute two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto (one copy must be submitted to the Corporation and one copy may be retained for your records); and
 - ii. the Representation Letter in the form attached to the Subscription Agreement as Schedule E-1 (please initial Appendix A as indicated).

Subject to applicable securities laws and the purchaser's two-day cancellation right, a subscription for Offered Units evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. **See Item 11- Purchasers' Rights.**

Subscriptions for Offered Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Offered Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest. The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

(b) Distribution

The Corporation is offering the Offered Units to residents of the Offering Jurisdictions. The Offering is being made pursuant to the following exemptions from the registration and prospectus requirements contained in the applicable securities laws, as applicable:

- (a) pursuant to the exemptions from the prospectus requirements afforded by Section 2.9(1), 2.9(2) and 2.9(2.1) (the "**Offering Memorandum Exemption**") of NI 45-106; and
- (b) pursuant to the exemption from the prospectus requirements afforded by Section 2.3 of NI 45-106 (the "**Accredited Investor Exemption**").

The Offering Memorandum Exemption in Section 2.9(1) of NI 45-106 is available for distributions to Subscribers resident in **British Columbia** purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment (Form 45-106F4) in the prescribed form, which is attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto.

As the Corporation is resident in the Province of Alberta, the Corporation and Subscribers must also comply with the Offering Memorandum Exemption in Section 2.9(2.1) of NI 45-106, which is available for distributions to Subscribers who are **resident in a Province or Territory of Canada** purchasing as principals, and who acknowledge having received and read a copy of this Offering Memorandum prior to signing the Subscription Agreement and who:

- (a) if subscribing for less than \$10,000 in Offered Units has not purchased more than \$10,000 in securities utilizing the Offering Memorandum Exemption in the previous 12 months;
- (b) if subscribing for more than \$10,000 in Offered Units but no more than \$30,000 in Offered Units, as the case may be, is an Eligible Investor, which includes Subscribers who are Accredited Investors, who have not purchased more than \$30,000 in securities utilizing the Offering Memorandum

- Exemption in the last 12 months and who have signed a copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule C;
- (c) if subscribing for more than \$30,000 in Offered Units but not more than \$100,000 in Offered Units who have not purchased more than \$100,000 in securities utilizing the Offering Memorandum Exemption in the last 12 months and who have signed a copy of the Eligible Investor Certificate in the form attached to the Subscription Agreement as Schedule C and a copy of the Portfolio Manager, Investment Dealer or Exempt Market Dealer Advice Certificate in the form attached to the Subscription Agreement as Schedule D; and
 - (d) have signed a Risk Acknowledgment (Form 45-106F4) in the prescribed form which is attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto.

The Accredited Investor Exemption in Section 2.3 of NI 45-106 is available for distributions to Subscribers **resident in a Province or Territory of Canada** purchasing as principal, or deemed to be purchasing as principal pursuant to applicable securities laws and who are Accredited Investors. Under this exemption, where the Subscriber is **an individual**, the Corporation is required to obtain:

- (a) a copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto;
- (b) a signed Accredited Investor Risk Acknowledgement Form (Form 45-106F9), which is attached to the Subscription Agreement as Schedule E, from the Subscriber and to retain that risk acknowledgement form for eight years after the distribution; and
- (c) the Representation Letter in the form attached to the Subscription Agreement as Schedule E-1 (please initial Appendix A as indicated).

Under the Accredited Investor Exemption, where the Subscriber is a **non-individual**, the Corporation is required to obtain:

- (a) a copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B, including Exhibit 1 and Exhibit 2, as applicable and attached thereto; and
- (b) the Representation Letter in the form attached to the Subscription Agreement as Schedule E-1 (please initial Appendix A as indicated).

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of the Offering Jurisdictions, which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective Subscribers will not receive the benefits associated with subscription for securities issued pursuant to a filed prospectus, including the review of material by the applicable securities regulatory authorities. The exemptions from the registration requirements contained in the applicable securities laws allow the Corporation to offer the Common Units or Preferred Units, as the case may be, for sale directly to Subscribers.

The Corporation anticipates that there will be multiple closings. The Corporation may close any part of this Offering on any date. After a closing of this Offering, the Subscriber will receive a confirmation from the Corporation that the Common Shares and Common Warrants, or Preferred Shares and Preferred Warrants, as the case may be, have been registered in the Subscriber's name and recorded in the Corporation's securities register, provided the Aggregate Subscription Price has been paid in full.

Subscribers should carefully review the terms of the Subscription Agreement for more detailed information concerning the rights and obligations of Subscribers and the Corporation. Execution and delivery of a Subscription Agreement will bind Subscribers to the terms thereof, whether executed by Subscribers or by an agent on their behalf. Subscribers should consult with their own professional advisors. See **"Item 8 – Risk Factors"**.

Subscriptions may be accepted by the Corporation, subject to the terms and conditions of the Subscription Agreement signed by the investor. Subscriptions may be accepted or rejected by the Corporation in its sole

discretion. The Corporation is not obligated to accept any subscription nor to accept subscriptions in the order the Corporation receives them. If the Corporation rejects a subscription, the subscription funds received will be returned to the investor, without interest or deduction, along with notification of the rejection.

This Offering is not subject to a minimum subscription amount. There are no other conditions to closing; therefore, any funds received from a Subscriber are available to the Corporation and need not be refunded to the Subscriber unless the Subscriber exercises their two-day cancellation right as more particularly described in "**Item 11 – Purchasers' Rights**".

This Offering may be nullified at the sole discretion of the Corporation. For example, the Corporation might choose to nullify the Offering upon the occurrence of events such as any material adverse change in the business, personnel or financial condition of the Corporation. If this Offering is nullified for any reason, the Subscription Agreements and cash funds received by the Corporation prior to the nullification will be returned to investors without interest or deduction as if the investors' subscriptions had been rejected (whether or not the subscription had previously been accepted by the Corporation).

A prospective investor will become a shareholder upon execution of a Subscription Agreement, acceptance of the Subscription Agreement by the Corporation, payment of the Aggregate Subscription Price, and entry of the investor's name in the register of members of the Corporation as a shareholder.

Item 6: Income Tax Consequences and RRSP Eligibility

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. Not all securities are eligible for investment in a registered retirement savings plan ("RRSP") or other registered accounts. You should consult your own professional advisers to obtain advice on the eligibility of these securities.

Item 7: Compensation Paid to Sellers and Finders

This Offering does not include a referral program or compensation to be paid to sellers and finders as this Offering is only to shareholders currently holding common shares in the capital of ABMC as of the date of this Offering Memorandum.

Item 8: Risk Factors

This is a speculative offering. The purchase of Offered Units involves a number of risk factors and is suitable only for investors who are aware of the risks inherent in an early stage logistics start-up company, and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on an investor's investment.

The Corporation advises that prospective investors should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Offered Units in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following risks before purchasing Offered Units. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Corporation's business and/or the return to the investors.

8.1 *Investment Risk* – Risks that are specific to the Offered Units include the following:

- (a) **Speculative Nature of Investment** – This is a highly speculative offering. There is no assurance of a positive, or any, return on an investment in the Offered Units. The purchase of the Offered Units involves a number of significant risk factors and is suitable only for investors who are able to risk a total loss of their investment and who have no immediate need for liquidity. The Corporation strongly recommends that prospective investors review this Offering Memorandum in its entirety and consult with their own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in the Offered Units given their particular financial circumstances and investment objectives prior to purchasing any Offered Units.
- (b) **Arbitrary Determination of Price** – The offering price for the Offered Units was arbitrarily determined by the Corporation and is not based on any specific recognized criteria of value or other practices. Quite specifically, it should be recognized that, as there is no existing market for the Offered Units it is impossible, except for the results of the sale of such Offered Units under this Offering, to determine at what price, if anything, those Offered Units would sell if a market did exist. In addition, the price per Offered Unit paid by Subscribers may be less or greater than the per Common Share or Preferred Share, as applicable, net asset value of the Corporation at the time of purchase.
- (c) **No Market for Securities of the Corporation** – None of the Common Shares, Preferred Shares or Warrants are listed or posted for trading on any stock exchange and none of these securities may ever be listed or posted for trading on any stock exchange. There is currently no market and may never be a market for any of the securities of the Corporation. There are no assurances that any market will develop in the future. It may be difficult or impossible to resell any of the securities purchased pursuant to this Offering or to pledge such securities as collateral for a loan. Accordingly, an investment in the Offered Units should only be considered by investors who are able to bear the economic risk of a long-term investment and do not require liquidity.
- (d) **Resale Restrictions** – The Corporation is not a “reporting issuer” (or the equivalent thereof) in any jurisdiction and the Offered Units are subject to an indefinite “hold period” under applicable securities laws. Holders of the Offered Units will not be able to resell the Offered Units except in accordance with limited exemptions under applicable securities legislation and regulatory policy, until the expiration of the applicable “hold period”. The hold period will not commence until the Corporation has become a “reporting issuer” in the jurisdiction of the holder’s residence, which may never happen.
- (e) **Risk of No Return on Investment** – There is no assurance that the business of the Corporation will be operated successfully, or that the business will generate sufficient income to allow Subscribers to recoup their investment. There is no assurance that an investment in the Offered Units will earn a specified rate of return or any return over the life of the Corporation. While the Subscribers have rights upon dissolution, the Corporation’s lenders will have priority over the shareholders and holders of Preferred Shares will have rights in priority to holders of Common Shares. There is no guarantee that any proceeds upon dissolution will be available to distribute to Subscribers after satisfying the Corporation’s obligations to the Corporation’s lenders and, with respect to the holders of Common Shares, the holders of Preferred Shares.
- (f) **Risk of No Dividends** – The Corporation has never paid or declared any dividends on its Common Shares or Preferred Shares. The Corporation does not anticipate paying any dividends on its Common Shares or Preferred Shares in the foreseeable future because, among other reasons, the Corporation currently intends to retain any future earnings to finance its business. The future payment of dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the general financial condition of the Corporation and other factors that the board of directors of the Corporation may consider appropriate in the circumstances. Until the Corporation pays dividends, which it may never do, shareholders will not

be able to receive a return on their Offered Units unless they sell them. The Common Shares rank junior to the Preferred Shares with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary. Dividends may be declared on one class of shares at the discretion of the board of directors of the Corporation exclusive to the declaration of dividends on the other classes of shares.

- (g) **Uncertainty of Additional Financing** – This Offering is not subject to any minimum subscription level and the monies raised hereunder will not be sufficient to permit the Corporation to execute its business plan or objectives as contemplated herein unless it obtains additional financing in the future, given the significant working capital deficiency that will exist even if the Corporation raises the maximum amount contemplated by the Offering. The Corporation does not have any commitments to obtain material additional financing and there is no assurance that the Corporation will be able to arrange for such financing, or that such financing will be available on commercially reasonable terms. The failure to obtain such financing on a timely basis or at all could result in the substantial dilution or forfeiture of its interest in certain projects, missed acquisition opportunities and reduced or terminated operations.
- (h) **No Review by Regulator** – Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.
- (i) **No Deposit Insurance** – The Offered Units are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program.
- (j) **Tax Risk** – The tax consequences associated with an investment in the Offered Units may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of Offered Units.
- (k) **Independent Counsel** – No independent counsel was retained on behalf of the Subscribers with respect to this Offering. There has been no review by independent counsel on behalf of the Subscribers of the Offering Memorandum, or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Subscribers by counsel.

8.2 Issuer Risk

Risks that are specific to the Corporation include the following:

- (a) **The Corporation is at an early stage of development** – The Corporation was only recently incorporated for the purpose of pursuing its business. The Corporation has not commenced commercial operations and has no assets, and there can be no assurance that the Corporation will succeed in commencing such operations or that such operations will be profitable.
- (b) **Need for Additional Capital to Accomplish Business Objectives** – Execution of the Corporation's business plan and commercial viability will be jeopardized if it is unable to raise additional funds for commercialization plans, to fund working capital, research and development projects, sales, marketing and product development activities, and other business opportunities. The funds raised from the Offering are not sufficient to pursue its business objectives and the viability of the Corporation is dependent on additional financings. Attempts will be made to mitigate this risk by pursuing funds from a variety of sources including through funding from industry and business partners, and through the issuance of shares or through strategic investors. In addition, the Corporation seeks to obtain funding commitments before it takes on any significant incremental initiatives. There can be no assurance that it will be able to secure additional funding, or funding on acceptable terms, to pursue commercialization plans.

- (c) **Lack of Ownership Over Base Software** – Execution of the Corporation’s business plan and commercial viability depends on using the CLIC Software Module as an ‘add-on’ to the SynchroTESS system to coordinate the core part of the Corporation’s business, being automotive logistics. To the extent that INFORM, as owner of the SynchroTESS system and CLIC Software Module, withdraws its approval for the Corporation to use this software or otherwise ceases operations, the Business Methodology could not be used on its own until a new software application was developed, since the CLIC Software Module is an add-on to the underlying SynchroTESS software. At this time, the Corporation does not have an alternative plan in the event that the SynchroTESS software becomes unavailable and as such, is entirely dependent on INFORM for this software. As such, if the SynchroTESS software becomes unavailable, it could have a material adverse effect on the Corporation’s business and affairs.
- (d) **Going Concern** - The Corporation has included a “going concern” qualification in the notes to the Corporation’s audited interim financial statements for the period from inception on August 19, 2016 to February 28, 2017 (see “Incorporation and Operations” under note 1). Current cash resources of the Corporation may not be sufficient to conduct its planned operations. The Corporation’s has no active ongoing operations and is managing administrative costs. These conditions indicate the existence of a material uncertainty which may cast doubt about the Corporation’s ability to continue as a going concern. The Corporation’s ability to continue as a going concern is dependent upon its ability to obtain additional financing. If, for any reason, the Corporation is unable to continue as a going concern, it could impact the Corporation’s ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business.
- (e) **The Corporation will be dependent on relationships with strategic partners** – The Corporation will be dependent on relationships with strategic partners and can offer no guarantee that it will enter into commercial agreements with such strategic partners or that such strategic partners will not seek to renegotiate or amend those agreements before or after operations have been commercialized. In addition, there can be no assurance of the commercial success of any joint ventures in which the Corporation is, or will become, involved.

Any change in relationships with such strategic partners, whether as a result of economic or competitive pressures or otherwise, including any decision by strategic partners to reduce their commitment to the services and Business Methodology of the Corporation in favour of competing services or technologies, to change or seek to change the terms of contractual relationships with them or to bring to an end any such relationships, could have a material adverse effect on the Corporation’s business and financial results.

In addition, disputes regarding the rights and obligations of the parties may arise in the future under agreements with such strategic partners. These and other possible disagreements may in the future lead to the renegotiation or modification of such agreements, or could lead to the termination of such agreements or delays in collaborative research, development, supply, or commercialization of certain services, or could require or result in litigation or arbitration. Moreover, disagreements may in the future arise with such strategic partners over rights to intellectual property. These kinds of disagreements could result in costly and time-consuming litigation. Any such conflicts with strategic partners could reduce the ability to obtain future collaboration agreements and could have a negative impact on relationships with strategic partners.

- (f) **The Corporation could be adversely affected by the operations of its joint ventures and joint venture partners** – The Corporation intends to operate in the future, through various joint venture or collaborative arrangements. The Corporation’s level of control over joint venture operations may be restricted or shared, and it may be unable to control the actions of joint venture partners or their employees. The Corporation cannot assure you that it will always be protected from reckless or negligent acts committed by future joint ventures or their employees or agents. Such employees or agents of the joint venture or joint venture partners may undertake actions that would result in a violation of law, including but not limited to, tax laws, customs laws, environmental laws, labour

laws, permitting laws and regulations, industry laws or international anti-corruption and anti-bribery laws, including Canadian anti-corruption laws and the FCPA. Violations of these laws, or allegations of such violations, could disrupt the Corporation's business and result in a material adverse effect on its business and operations.

- (g) **The Corporation may have difficulty managing the expansion of operations** – The Corporation may be required to expand the scope of its operations rapidly. This may include a need for a significant and rapid increase in employees and an increase in the size, or relocation of, its premises and changes to information systems, processes and policies. Such rapid expansion may place a significant strain on the Corporation's senior management team, support teams, information technology platforms and other resources. In addition, the Corporation may be required to place more reliance on strategic partners and suppliers. Difficulties in effectively managing the budgeting, forecasting and other process control issues presented by any rapid expansion could harm the Corporation's business, prospects, and results of operations or financial condition.
- (h) **The Corporation could lose or fail to attract the human capital necessary to run its business** – Success depends in large part on the ability to attract and retain key management, engineering, scientific and operating human capital. As the Corporation develops additional capabilities, it may require more skilled employees. Given the specialized nature of its services, these employees must be highly skilled and have a sound understanding of the industry, business or technology. There can be no assurance that the Corporation will continue to attract and retain the human capital needed. The failure to attract or retain qualified employees could have a material adverse effect on its business.
- (i) **If the Corporation does not properly manage foreign sales and operations, business could suffer** – The Corporation expects that a substantial portion of future revenues could be derived from sales outside of Canada, and the Corporation may operate in jurisdictions where it may lack sufficient expertise, local knowledge or contacts. Establishment of an international market may take longer and cost more to develop than anticipated and is subject to inherent risks, including unexpected changes in government policies, trade barriers, difficulty in staffing and managing foreign operations, longer payment cycles, and foreign exchange controls that restrict or prohibit repatriation of funds. As a result, if the Corporation does not properly manage foreign sales and operations, its business could suffer.
- (j) **Debt Obligations** – The Corporation has incurred substantial debt obligations in the form of a demand loan from CTM WW, being the Promissory Notes, and pursuant to the Consulting Services Agreement. Therefore, the Corporation is liable to return the amounts owed under such loan and agreement at a later date. There can be no assurance the Corporation will have the capacity to make the necessary payments in the event that the loan matures. If the Corporation becomes unable to make such payment, losses could be sustained as a result. In such circumstances, the Corporation could attempt to renegotiate such payments or obtain additional equity or debt financing. There can be no assurance that such efforts would be successful or timely or that the terms of such financing or refinancing would be acceptable to the Corporation. In addition, given the significant amount owing pursuant to the Promissory Notes and pursuant to the Consulting Services Agreement, holders of Offered Units may not realize any return on their investment until such time as the Corporation is able to first satisfy all of its obligations under the Promissory Notes and pursuant to the Consulting Services Agreement and/or pursuant to any other form of debt obligation to which it may become a party in the future.
- (k) **Management Performance and Other External Factors** – The success of the Corporation's business strategy depends, to a certain extent, on the efforts and abilities of its management and on external factors such as, among other things, the general political and economic conditions that may prevail from time to time, which factors are outside of the control of the Corporation. As a result, there is no guarantee that Subscribers will earn a return on their investment in the Offered Units.

- (l) **Influence of Management** – The directors and officers of the Corporation currently own approximately 94 percent of the outstanding Common Shares and approximately 66 percent of the outstanding Preferred Shares of the Corporation. As a result, these shareholders will have the ability to control or influence the outcome of most corporate actions requiring shareholder approval, including the election of directors of the Corporation and the approval of certain corporate transactions. The concentration of ownership of the Corporation may also have the effect of delaying or preventing a change in control of the Corporation.
- (m) **Performance of CCC** - Because the Management Services are provided through CCC, the Corporation is exposed to adverse developments in the business and affairs of CCC, to its management and to its ability to retain key employees to successfully perform the Management Services. There can be no assurance that CCC will be able to perform the Management Services at the level it is currently anticipated to, or that it will be able to retain its key employees.
- (n) **The directors and officers of the Corporation may devote only a portion of their time to the Corporation** – The directors and officers of the Corporation will devote only a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- (o) **Conflict of Interest** – There are potential conflicts of interest to which the directors and officers of the Corporation may be subject to in connection with the operations of the Corporation. Situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the ABCA. In particular, the only directors of the Corporation at this time are William (Bill) Pawluk and Allen Jensen. Both these individuals may be in a potential conflict of interest given their involvement as directors, officers and promoters of the Corporation as well as various related companies with which the Corporation does business and has entered into agreements. The provisions of the ABCA provide that a court could set aside any of the agreements to which the Corporation is a party as a result of such conflicts or force the directors to account to the Corporation for any profits realized as a result thereof.
- (p) **The Corporation could be adversely affected by violations of the *U.S. Foreign Corrupt Practices Act*, *Canada's Corruption of Foreign Public Officials Act*, and similar foreign anti-bribery laws** – The FCPA, CFPOA and similar anti-bribery laws in other jurisdictions prohibit companies and their directors, officers, employees and agents from promising, offering or giving anything of value, including money, to foreign officials, including employees of government owned businesses, for purposes of corruptly influencing such officials in their official duties in order to assist the company in obtaining or retaining business. During the last few years, the U.S. Department of Justice and the U.S. Securities and Exchange Commission and the Royal Canadian Mounted Police have brought an increasing number of FCPA and CFPOA enforcement cases, many resulting in very large fines and deferred criminal prosecutions. The Corporation may operate in countries that are viewed as high risk for FCPA and CFPOA compliance. There can be no assurance that all employees and third-party intermediaries (including distributors and agents) will comply with anti-corruption laws. Any such violation could have a material adverse effect on the Corporation's business.

In any acquisition or joint venture, the Corporation is exposed to the possibility that the employees and agents of such businesses may not have conducted themselves in compliance with the anti-corruption laws.

Violations of the FCPA or CFPOA may result in significant civil and criminal fines, as well as criminal convictions. Violations of the FCPA, CFPOA and other foreign anti-bribery laws, or allegations of such violations, could disrupt the business of the Corporation and cause it to suffer civil and criminal financial penalties and other sanctions, which are likely to have a material adverse impact on the Corporation's business, financial condition, and results of operations.

8.3 Industry Risk

There are also risks faced by the Corporation because of the industry in which it operates. Automotive transportation is subject to significant uncertainties due to, among other factors, uncertain costs of development and financing, uncertainty as to the ability to obtain required licenses, permits and approvals, and fluctuating demand for products. Prospective investors should take note of the following:

- (a) **Government Regulation** – The automotive transportation and logistics industry is subject to a number of laws and regulations imposed by various levels of government including those concerning the protection of the environment and health and safety as discussed above. The Corporation may incur significant expenditures to comply with such laws and regulations. Failure to comply may result in enforcement actions being undertaken by appropriate governmental agencies. Such expenditures or the effect of such actions could have a material adverse effect on the Corporation's business or the results of its operations.
- (b) **Sustained negative economic factors could negatively impact its business** – Global economic factors beyond the Corporation's control such as sustained and far reaching negative economic factors, more restrictive access to credit markets, or other broad economic issues may negatively affect target markets, and reduce demand for services as partners and potential customers defer acquiring new equipment and services.
- (c) **Potential fluctuations in financial results make financial forecasting difficult** – In the event that the business of the Corporation becomes economically viable, the Corporation expects revenues and results of operations will vary significantly from quarter to quarter. The current economic environment also makes projecting financial results more difficult. In addition, due to its early stage of development, the Corporation cannot accurately predict future revenues or results of operations. The Corporation is also subject to normal operating risks such as credit risks, foreign currency risks, and global and regional economic conditions. As a result, quarter-to-quarter comparisons of revenues and results of operation may not be meaningful. It is likely that in one or more future quarters, results of operations will fall below expectations, and the expectations of investors. If this happens, the value of the Common Shares or Preferred Shares, as applicable, may be materially and adversely affected.

Item 9: Reporting Obligations

The Corporation is not a reporting issuer and therefore is not subject to most of the continuous reporting obligations imposed on reporting issuers by securities legislation in any province of Canada, except in Ontario where the Corporation may be subject to certain continuous disclosure obligations under applicable law. **We are not required to send you any documents on an annual or ongoing basis, except as otherwise set forth herein.** The Corporation is therefore not required to disclose material changes which occur in its business and affairs and there is, therefore, no requirement that the Corporation make disclosure of its affairs, including, without limitation, the prompt notification of material changes by way of press releases and formal filings or the preparation of quarterly unaudited financial statements. However, where required pursuant to applicable laws, the Corporation may be required to file with the securities regulatory authorities or deliver to the securities regulatory authorities audited annual financial statements of the Corporation, as well as a notice that accompanies the financial statements which describes how the money raised under the Offering Memorandum has been used. Further, the Corporation is not required to file its interim financial statements with the securities regulatory authorities.

Although the Corporation is not a reporting issuer, it is required to file this Offering Memorandum and all related OM marketing materials with the securities commissions or similar authorities in the Offering Jurisdictions. This Offering Memorandum and all related OM marketing materials can be viewed on SEDAR under the Corporation's SEDAR profile at www.sedar.com.

Item 10: Resale Restrictions

These securities are subject to a number of resale restrictions under securities legislation, including a restriction on trading. Unless or until the restriction on trading expires, you will not be able to trade the securities unless you are eligible to rely on and comply with an exemption from the prospectus requirements and comply with the registration requirements under securities legislation. For information about these resale restrictions, you should consult a lawyer.

10.1 General Statement

The Offered Units 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 Offered Units unless you comply with an exemption from the prospectus requirements and comply with the registration requirements under securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the Common Shares, Preferred Shares or Warrants, as the case may be, without an exemption before the date that is four months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.

The certificates representing the securities of the Corporation issued pursuant to this Offering will have a legend in substantially the following form:

Unless permitted under securities legislation, you cannot trade these securities before the date that is four (4) months and a day after the date the Corporation became a reporting issuer in any province or territory of Canada.

The Corporation does not intend to become a reporting issuer in any province or territory of Canada.

Item 11: Purchasers' Rights

If you purchase the Offered Units pursuant to this Offering Memorandum, you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

(a) Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Offered Units. To do so, you must send a notice to the Corporation by midnight on the second business day after you sign the Subscription Agreement in respect of the Offered Units.

(b) Rights of Action in the Event of a Misrepresentation

Applicable securities laws and contractual rights in the Offering Jurisdictions provide you with a remedy to sue the Corporation to cancel your agreement to buy these securities or for damages against the Corporation if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a “**misrepresentation**” means an untrue statement or omission of a “**material fact**” (as defined by applicable securities laws) that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are 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. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws. Further, in an action for damages, the amount you recover will not exceed the price that you paid for your securities and will not include any part of the

damages that the Corporation proves does not represent the depreciation value of the securities resulting from the misrepresentation. The Corporation has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Statutory Rights of Action of Purchasers in British Columbia

Securities legislation in British Columbia provides that every purchaser of securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the Corporation, every director of the Corporation at the date of the Offering Memorandum or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the Corporation in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the British Columbia securities legislation for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below. If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

- (a) the Corporation to cancel their agreement to buy the Offered Units; or
- (b) for damages against the Corporation, directors of the issuer at the date of the Offering Memorandum and any person who signed the Offering Memorandum (collectively defined as the “**Insiders**” for this section).

If this Offering Memorandum or any amendment thereto contains a misrepresentation and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases securities shall have a right of action for rescission or alternatively for damages against the Insiders. A purchaser who purchases a security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Corporation:

- (a) the purchaser may elect to exercise a right of rescission against the Corporation in which case the purchaser does not have a right of action for damages against the Insiders;
- (b) the Insiders are not liable under subsection (a) if the Corporation proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in an action for damages pursuant to subsection (a), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the security as a result of the misrepresentation relied on;
- (d) in no case shall the amount recoverable by the purchaser exceed the price at which the securities were sold to the purchaser; and
- (e) the right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

In British Columbia, an action to enforce a civil remedy created by the above must not be commenced:

- (a) in the case of an action for rescission, more than 180 days after the Subscriber purchased the Offered Units; or
- (b) in the case of an action other than for rescission, more than the earlier of:
 - (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) 3 years after the Subscriber purchased the Offered Units.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (British Columbia) and are subject to the defences contained therein.

Rights for Subscribers in the Province of Alberta

A Subscriber of Offered Units pursuant to this Offering Memorandum who is a resident in Alberta has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Corporation if this Offering Memorandum, together with any amendments hereto, contains a misrepresentation. In Alberta, a Subscriber has additional statutory rights of action for damages against every director of the Corporation at the date of this Offering Memorandum and every Person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the Offered Units were purchased, the Subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Corporation for damages or alternatively, while still the owner of any of the Offered Units purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Corporation, provided that:

- (i) no person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the misrepresentation;
- (ii) 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;
- (iii) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and
- (iv) in the case of a Subscriber resident in Alberta, no Person or company, other than the Corporation, will be liable if such person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a) — (e) of the *Securities Act* (Alberta).

In Alberta, no action may be commenced more than:

- (i) 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
- (ii) in the case of any other action, other than an action for rescission, the earlier of (i) 180 days after the Subscriber 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.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Alberta) and are subject to the defences contained therein.

Statutory Rights of Action of Purchasers in Ontario

Section 5.3 of Ontario Securities Commission Rule 45-501 (“**Rule 45-501**”) provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the “**Act**”) shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits 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, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser

purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) will have a right of action against the Corporation for damages or rescission as follows:

- (a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Corporation, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Corporation not later than the earlier of:
 - (i) 180 days after the investor had knowledge of the facts giving rise to the course of action; or
 - (ii) three years after the date of the transaction giving rise to the cause of action;
- (b) the Corporation will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the Corporation will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

The securities laws of British Columbia, Alberta, and Ontario are complex. Reference should be made to the full text of the provisions summarized above relating to rights of action.

Subscribers should consult their own legal advisors with respect to their rights and the remedies available to them.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

Item 12: Financial Statements

Please see attached.

Convertible Logistics Corporation
Financial Statements

*For the period from inception on August 19, 2016
to February 28, 2017*

Independent Auditors' Report

To the Shareholders of Convertible Logistics Corporation

We have audited the accompanying financial statements of Convertible Logistics Corporation, which comprise the statement of financial position as at February 28, 2017, and the statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the period from August 19, 2016 to February 28, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Convertible Logistics Corporation as at February 28, 2017 and its financial performance and its cash flows for the period from August 19, 2016 to February 28, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty which may cast significant doubt about Convertible Logistics Corporation's ability to continue as a going concern. Our opinion is not qualified due to this matter.

Calgary, Alberta
April 12, 2017

MNP LLP
Chartered Professional Accountants

Convertible Logistics Corporation

Statement of Financial Position

(Expressed in Canadian Dollars)

As at	Note	February 28, 2017 \$
ASSETS		
Current Assets		
Cash		7,939
		7,939
Non-Current Assets		
Intangible assets	5	25,045
Total Assets		32,984
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities		77,787
Due to related parties	6	966,875
Total Liabilities		1,044,662
SHAREHOLDERS' DEFICIENCY		
Share capital	7	198,493
Deficit		(1,210,171)
Total Shareholders' Deficiency		(1,011,678)
Total Liabilities and Shareholders' Deficiency		32,984

Going Concern (Note 1)

Signed "Bill Pawluk"

Director

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

Convertible Logistics Corporation

Statement of Comprehensive Loss

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

	Note	\$
Expenses		
Advertising		74,999
Business development		343,657
Consulting		550,181
Foreign exchange loss		4,177
Interest and bank charges		2,277
Other		31,425
Professional fees		116,512
Salaries and wages		85,993
Share-based compensation	7	950
Total expenses		1,210,171
Total comprehensive loss		1,210,171

Convertible Logistics Corporation

Statement of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

	Shareholders' Capital \$	Deficit \$	Total Equity \$
As at inception, August 19, 2016	-	-	-
Issuance of common shares (note 7)	25,488	-	25,488
Exercise of common share warrants (note 7)	132,107	-	132,107
Issuance of preferred shares (note 7)	12,448	-	12,448
Exercise of preferred share warrants (note 7)	27,500	-	27,500
Share-based compensation (note 7)	950	-	950
Total comprehensive loss for the period	-	(1,210,171)	(1,210,171)
As at February 28, 2017	198,493	(1,210,171)	(1,011,678)

Convertible Logistics Corporation

Statement of Cash Flows

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

\$

Cash provided by (used in) the following activities:

Operating activities

Total comprehensive loss for the period	(1,210,171)
Non-cash items:	
Promissory note (note 6)	500,000
Consulting services agreement (note 6)	500,000
Share-based compensation (note 7)	950
Net change in non-cash working capital items:	
Accounts payable and accrued liabilities	77,787
Net cash used in operating activities	(131,434)

Investing activities

Additions to intangible assets (note 5)	(25,045)
Net cash used in investing activities	(25,045)

Financing activities

Issuance of common shares (note 7)	25,488
Exercise of common share warrants (note 7)	132,107
Issuance of preferred shares (note 7)	12,448
Exercise of preferred share warrants (note 7)	27,500
Repayments of advances from relates parties	(187,000)
Advances from relates parties	153,875
Net cash provided by financing activities	164,418

Increase in cash 7,939

Cash – beginning of the period -

Cash – end of the period 7,939

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

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

1 Incorporation and Operations

Convertible Logistics Corporation (the "Company") was incorporated under the Business Corporations Act of Alberta on August 19, 2016. The Company's head office and mailing address is located at Suite 104, 3115-12th St. N.E., Calgary, Alberta, Canada, T2E 7J2.

The Company's fiscal year-end is May 31.

The Company provides a specialized service that focuses on identifying opportunities for the Convertible Trailer, the AutoBox and other hardware solutions within the automotive logistics industry and beyond. It is the intention of the Company to perform specialized convertible-style logistics with each and every opportunity that presents itself in the automotive and general freight logistics industries. To practice such logistics, the Company's goal is to develop both a specialized team and a software platform that can enable the usage of convertible hardware solutions.

These financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether or not there are material uncertainties that may lend doubt as to the ability of the Company to continue as a going concern, management takes into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period. Management is aware of the material uncertainties that could cast significant doubt upon the Company's ability to continue as a going concern. The Company has negative cash flows from operations of \$131,434 and a total comprehensive loss of \$1,210,171 for the period from August 19, 2016 to February 28, 2017, and negative working capital of \$-1,036,723 at February 28, 2017. The Company has no active ongoing operations and is managing administrative costs. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing. If, for any reason, the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the financial statements.

The financial statements were authorized for issue by the Board of Directors on April 12, 2017.

2 Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). These are the first financial statements of the Company prepared under IFRS. The policies applied in the financial statements are based on IFRS in effect on August 19, 2016.

Basis of measurement

The financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value.

Functional and presentation currency

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

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, financial instruments are measured as described below:

Financial instruments at fair value through profit or loss

Financial assets or financial liabilities are classified as fair value through profit or loss ("FVTPL") when the financial asset or liability is either held for trading or it is designated as such by management on initial recognition. Financial assets or financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized immediately in the statement of comprehensive loss. Transaction costs are expensed as incurred. The Company has classified cash as FVTPL.

Other financial liabilities

Other financial liabilities are initially recorded at fair value plus and transaction costs and are subsequently measured at amortized cost using the effective interest method. The Company has classified accounts payable and accrued liabilities and due to related parties as other financial liabilities.

(b) Cash

Cash consists of cash held with a chartered bank.

(c) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the provinces and countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(d) Intangible assets

Intangible assets consist of computer software which are not integral to any computer hardware. Software is initially recorded at cost and subsequently measured at cost less accumulated amortization and any accumulated impairment. Software is amortized on a straight line basis over 3 years.

The useful lives of the intangible assets are reviewed on an annual basis and the useful life is altered if estimates have changed significantly. Gains or losses on the disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of comprehensive loss.

3 Summary of Significant Accounting Policies (continued)

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

(e) Share-based compensation

The Company issues equity instruments as compensation for services which it receives from directors, officers, employees and consultants of the Company.

The Company uses the market price of its shares to estimate the fair value of the equity instruments granted to employees, directors or officers.

Where the equity instruments are granted to non-employees, the fair value is determined based on the fair value of the goods or services received. When the fair value of goods or services received cannot be measured reliably, the fair value is measured using the fair value of the Company's shares.

(f) Fair value measurement

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. The Company does not hold any such instruments as at February 28, 2017.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

The Company has classified financial instrument carried at fair value on the statement of financial position based on the following three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The Company records cash at fair value under level 1.

(g) Recent accounting pronouncements

In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments". The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 9 will be applied on a retrospective basis by the Company on June 1, 2018 and the Company is currently evaluating the impact of the standard on its financial statements.

IFRS 15 Revenue from Contracts with Customers - IFRS 15 was issued in May 2014 and replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements.

On January 13, 2016, the IASB issued IFRS 16, "Leases", which replaces IAS 17 "Leases". The new standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than twelve months. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 "Revenue from Contracts with Customers" at or before the initial adoption date of January 1, 2018. The Company is currently evaluating the impact of the standard on its financial statements.

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Fair value of financial instruments: The Company measures its financial instruments at fair value or amortized cost. Fair value is determined by using valuation models and judgment. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

5 Intangible Assets

	\$
Cost	
At August 19, 2016	-
Additions	25,045
At February 28, 2017	25,045
Net book value	
At February 28, 2017	25,045

6 Related Party Transactions and Balances

The following is a summary of the Company's due to related parties

	February 28, 2017 \$
Due to shareholders	178
Convertible Trailer Manufacturing Worldwide Ltd.	966,697
	966,875

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

6 Related Party Transactions and Balances (continued)

Convertible Trailer Manufacturing Worldwide Ltd. ("CTM WW")

CTM WW is related by virtue of common control. The balance outstanding at February 28, 2017 is unsecured, non-interest bearing and is due on demand. In addition to expenses paid by CTM WW on behalf of the Company, and repayments made by the Company, the balance outstanding at February 28, 2017 consists of the following:

Promissory Note

The Company entered into a promissory note agreement with CTM WW whereby it promises to pay \$500,000 to CTM WW to reimburse CTM WW for business development and other costs incurred on the Company's behalf.

Consulting Services Agreement

The Company entered into a consulting services agreement with CTM WW whereby it promises to pay \$500,000 to compensated CTM WW for management consulting services that were provided to the Company. The initial consideration for the services was \$500,000, is non-interest bearing and is due on demand.

7 Share Capital

Authorized:

- Unlimited Class A common shares
- Unlimited Class B common shares
- Unlimited Class C common non-voting shares
- Unlimited Series 1 Class F preferred non-voting shares

Issued and outstanding

Class A common shares

	Number of shares	\$
As at August 19, 2016	-	-
Shares issued during the period (i)(ii)	42,544,814	25,488
Warrants exercised during the period (ii)	264,213	132,107
Share-based compensation (iii)	95,000	950
As at February 28, 2017	42,904,027	158,545

- i. At incorporation of the Company, the Company issued 40,000,001 Class A common shares to directors of the Company at a price of \$0.000001 per share for total proceeds of \$40.
- ii. During the period from August 19, 2016 to February 28, 2017, the Company completed a private placement whereby the Company issued 2,544,813 common share units ("Common Units") for a subscription price of \$0.01 per Common Unit for total proceeds of \$2,544,813. Each Common Unit comprised of one Class A common share and one Class A common share purchase warrant. Each Class A common share purchase warrant entitled the holder thereof to purchase one Class A common share at a price of \$0.50 per share for a period of 90 days from the date of issuance. At February 28, 2017, there were no Class A common share purchase warrants outstanding and exercisable.
- iii. During the period from August 19, 2016 February 28, 2017, the Company issued 95,000 Class A common shares as compensation for services provided to the Company. The share-based compensation was measured at the fair value of the shares issued to other independent third parties.

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

7 Share Capital (continued)

Series 1 Class F preferred non-voting shares

	Number of shares	\$
As at August 19, 2016	-	-
Shares issued during the period (iv)(v)	3,744,500	12,448
Warrants exercised during the period (v)	55,000	27,500
As at February 28, 2017	3,799,500	39,948

- iv. At incorporation of the Company, the Company issued 2,500,000 Series 1 Class F preferred non-voting shares to directors of the Company at a price of \$0.000001 per share for proceeds of \$2.50.
- v. During the period from August 19, 2016 to February 28, 2017, the Company completed a private placement whereby the Company issued 1,244,500 preferred share units ("Preferred Units") for a subscription price of \$0.01 per Preferred Unit for total proceeds of \$12,445. Each Preferred Unit comprised of one Series 1 Class F preferred share and one Series 1 Class F preferred share purchase warrant. Each Series 1 Class F preferred share purchase warrant entitled the holder thereof to purchase one Series 1 Class F preferred share at a price of \$0.50 per share for a period of 90 days from the date of issuance. At February 28, 2017, there were no Series 1 Class F preferred share purchase warrants outstanding and exercisable.

8 Financial Instruments and Risk Management

Financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. All of the Company's financial instruments are non-derivative financial instruments.

Accounts payable and accrued liabilities and due to related parties are carried at amortized cost which approximates fair value due to their short-term nature. The Company has no off-balance sheet arrangements as at February 28, 2017.

Risk management

It is management's opinion that the Company is not exposed to any significant interest or currency risks from its financial instruments. The Company is exposed to the following risks:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company is exposed to credit risk as a result of the cash held with third party institutions. Management mitigates this risk by dealing with reputable banks. The Company's maximum exposure to credit risk is \$ 7,939.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations at the point at which they are due. To minimize liquidity risk, the Company continuously monitors its cash requirements to ensure sufficient cash is available for future expenditures. The following represents the cash outflows of financial liabilities as at February 28, 2017:

	Total	Less than one year	One to three years	Greater than three years
Accounts payable and accrued liabilities	77,787	77,787	-	-
Due to related parties	966,875	966,875	-	-
Total	1,044,662	1,044,662	-	-

Convertible Logistics Corporation

Notes to the Financial Statements

For the period from inception on August 19, 2016 to February 28, 2017
(Expressed in Canadian Dollars)

9 Capital Management

The Company's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program, to achieve operational growth and increase cash flow so as to sustain future development of the business and to maintain shareholder confidence. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets. Management considers the Company's shareholder's equity as the components of capital to be managed. In order to maintain or adjust the capital structure, the Company may issue shares, raise debt and/or adjust its spending.

10 Key Management Compensation

The remuneration of directors and other members of key management were as follows:

	February 28, 2017 \$
Short-term benefits	35,000

11 Taxes

The Company has incurred non-capital losses for income tax purposes. The related benefit of these losses has not been recognized in these financial statements as the Company is unable to ascertain whether it is more likely than not that tax losses can be utilized in future periods.

Item 13: Date and Certificate

Dated: April 16, 2017

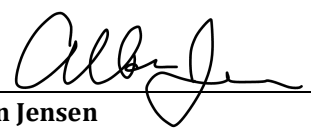
This Offering Memorandum does not contain a misrepresentation.

Signed:



Bill Pawluk
CEO, Director and Promoter

Signed:



Allan Jensen
Director and Promoter