



Confidential

AMENDED AND RESTATED

OFFERING MEMORANDUM

HCM Ventures (VCC) Inc.
Up to 7,515,417 Class "A" Shares

October 31, 2019

This Offering Memorandum is for the confidential use of only 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 advisors, this Offering Memorandum or any information contained herein.

AMENDED AND RESTATED OFFERING MEMORANDUM

THIS OFFERING MEMORANDUM CONSTITUTES A PRIVATE OFFERING OF SECURITIES ONLY IN THE PROVINCES OR TERRITORIES OF CANADA. 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 9 - RISK FACTORS.

Date: October 31, 2019.

The Issuer:	HCM Ventures (VCC) Inc. (the "Issuer" or "Corporation")
Head Office Address	Suite 2578 – 550 Burrard St., Vancouver, BC V7X 1A6
Telephone Number	1.604.790.9387
Telefax Number	250-762-6665
Email	info@hcmventures.vc
Currently listed or quoted	No. These securities do not trade on any exchange or market.
Reporting Issuer	No.
SEDAR Filer	No, except to the extent such filings are required by private entities

The Offering

Securities Offered:	Class "A" Voting Common Shares without nominal or par value ("Class "A" Shares")
Price per Security:	\$0.50 per Share for up to 5,000,000 Class "A" Shares sold and thereafter \$1.00 per Class "A" Share for the balance of Class "A" Shares sold to an aggregate maximum of \$5,000,000
Minimum/Maximum Offering:	Maximum offering is \$5,000,000 (7,515,417 Class "A" Shares). Aside from the minimum subscription amount there is no minimum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	The minimum subscription amount an investor must invest is \$10,000. The Issuer may waive this minimum in certain circumstances its sole discretion.
Eligibility:	See Item 5.2 - Subscription Qualification for specific provincial eligibility requirements
Payment Terms:	By certified cheque, money order or bank draft payable to " Pushor Mitchell LLP In Trust " or to " HCM Ventures (VCC) Inc. " care of 301 – 1665 Ellis Street, Kelowna, BC V1Y 2B3, with a Subscription Agreement, Risk Acknowledgement Form(s) and, if applicable, eligible investor forms. (Note: if you are investing from a registered account or a brokerage account, arrangements for the delivery of the subscription funds will be made directly between the Issuer and the relevant account administrator or broker).
Proposed Closing Dates:	Closings will occur from time to time at the discretion of the directors of the Issuer (each being a "Closing Date").
Income Tax Consequences:	There are important tax consequences to these securities. (See Item 6 - Income Tax Consequences).
Selling Agent	The Issuer reserves the right, as allowed by applicable securities legislation, to retain several non-exclusive securities dealers to assist with effecting sales of the Class "A" Shares. The Issuer may compensate such securities dealers with a commission of up to 9% of the gross proceeds realized on the sale of the Class "A" Shares for soliciting, or assisting with effecting, sales of the Class "A" Shares. In addition to the foregoing, the Issuer may pay an administration fee of up to 1% of the gross proceeds realized on the sale of the Class "A" Shares for administration costs incurred by the securities dealers associated with such activities. (See Item 8 - Compensation Paid to Sellers and Finders).
Resale Restrictions	Except for residents of Manitoba, New Brunswick and the Yukon Territory, you will be restricted from selling your securities for an indefinite period. (See Item 11).
Purchaser's Rights	You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement (See Item 12 - Purchaser's Rights).

ISSUER COPY - Please initial below and submit this page with your Subscription Agreement.

Investor Initial

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

THIS OFFERING IS SUBJECT TO A MAXIMUM SUBSCRIPTION LEVEL OF 7,515,417 SHARES TOTALING MAXIMUM SUBSCRIPTION PROCEEDS OF UP TO \$5,000,000. ALL PROCEEDS FROM SUBSCRIPTIONS WILL BE AVAILABLE TO THE ISSUER UPON THE CLOSING THEREOF AND WILL NOT BE REFUNDED TO THE PURCHASER UNLESS THE PURCHASER HAS CANCELLED THEIR SUBSCRIPTION IN ACCORDANCE WITH THE TWO DAY CANCELLATION RIGHT (SEE ITEM 12.1).

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING MEMORANDUM AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. THIS OFFERING MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF THE PERSONS INTERESTED IN THE PROPOSED OFFERING AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

THIS DOCUMENT IS NOT TO BE PHOTOCOPIED OR REPRODUCED IN ANY MANNER OR FORWARDED TO ANY OTHER PERSON.

THE OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM SUCH OFFER OR SOLICITATION MAY NOT BE LAWFULLY MADE. THIS OFFER IS MADE ONLY TO THE PERSONS TO WHOM THIS OFFERING MEMORANDUM HAS BEEN DELIVERED AND BY THEIR ACCEPTANCE HEREOF, PROSPECTIVE SUBSCRIBERS AGREE THAT THEY WILL NOT TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE THIS OFFERING MEMORANDUM OR ANY INFORMATION CONTAINED HEREIN AND ANY DUPLICATION OF THIS OFFERING MEMORANDUM IS STRICTLY PROHIBITED. THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING TO ANY RESIDENT OF THE UNITED STATES OF AMERICA OR ANY TERRITORY OR POSSESSION THEREOF OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF THE ISSUER TO SUCH RESIDENT.

Subscriptions for the Class “A” Shares will be received subject to rejection or allotment in whole or in part, at the Issuer’s sole discretion, and the Issuer reserves the right to close the Subscription books without notice. The Issuer may keep open the Offering herein made until the dates when Subscriptions have been received and accepted by the Issuer for the Maximum Offering or such other dates as determined by the Issuer in its sole discretion (the “Closing Dates”). On the Closing Dates, the Issuer may close Subscriptions and apply the funds from the Subscriptions in accordance with the Use of Available Funds section of this Offering Memorandum (See “Item 1.2 – Use of Available Funds”).

Subscription proceeds shall be forwarded to the legal counsel of the Issuer, at the address indicated under “Payment Terms”, to be held in trust until the Closing Dates. Confirmation of the acceptance of a Subscription will be forwarded to the Subscriber promptly after its acceptance.

This Amended and Restated Offering Memorandum replaces the Issuer’s previous Amended and Restated Offering Memorandum dated October 3, 2018. In addition to being provided to new subscribers, this Amended and Restated Offering Memorandum may be provided to certain parties that provided executed subscription documents pursuant to the Issuer’s Amended Offering Memorandum dated February 21, 2018. Such parties will be asked to execute and deliver an updated Risk Acknowledgement Form attached as Exhibit “I” to Schedule “A” of the Offering Memorandum (see Item 5.3) in order to bring their Subscriptions in to compliance with the requirements of the Offering Memorandum exemption under NI 45-106 and will be provided with the two day cancellation right described in Item 12.1 from the date that they sign the updated Risk Acknowledgement Form.

EQUITY CAPITAL PROGRAM SUMMARY

The Equity Capital Program is the operating name for the programs operating under the SBVC Act (as defined below) and administered by the Investment Capital Branch of the British Columbia Ministry of Jobs, Trade and Technology. This program is open to small businesses operating in British Columbia in sectors which result in export enhancement or otherwise diversify the economy of British Columbia and provides such businesses with the opportunity to register as Eligible Business Corporations (“EBCs”). It also encourages early stage or “seed” equity capital investment in such EBCs through companies that are registered as Venture Capital Corporations

(“VCCs”). VCCs typically obtain cash equity by way of private placement financings, such as the current Offering, and then use those funds to invest in eligible small businesses (“ESBs”) that meet the similar eligibility criteria applicable to EBCs. In turn, the Equity Capital Program allows registered VCCs to apply for a tax credit entitling each of its resident British Columbia investors to a tax credit equal to 30% of the amount received by the VCC from those investors in a particular tax year (the “Tax Credit”).

The Issuer was registered as a VCC on January 24, 2017 for the main purpose of investing in eligible small business that are registered as EBCs or otherwise meet the criteria for registration as an EBC under the SBVC Act. As a VCC, the Issuer is required to meet the following criteria, among others: it may only carry on the activity of making eligible investments in small businesses as permitted by the SBVC Act and providing business and managerial expertise to such small businesses in which it has made or proposes to make an eligible investment; and it must maintain at least \$50,000 in equity capital by the end of its first year after registration as a VCC and thereafter.

Effective on April 5, 2019, pursuant to an additional equity authorization application filed by the Issuer, the Issuer received its approval to raise up to \$2,219,495 of equity capital which is eligible for the Tax Credit effective until December 31, 2019. The Issuer may apply for further additional equity authorizations to raise additional amounts and for an additional period of time expiring on March 2, 2020. All additional equity authorizations issued under the SBVC Act are subject to being withdrawn at any time with limited notice to the Issuer. As noted, the Tax Credit may only be applied for in respect of individual investors who are resident in British Columbia for tax purposes and eligible corporate investors who have a permanent establishment in British Columbia for tax purposes. The Tax Credit may be denied in whole or in part if the Province of British Columbia’s budget for its Equity Capital Program is reduced or used up prior to the Issuer completing the filing of the required share purchase reports. The Issuer is required under the SBVC Act to invest a minimum of 80% of the equity capital it raises in one or more eligible small businesses for a total of not less than five years, failing which it may be required to repay some or all of the Tax Credits issued in respect of such equity capital to the Province of British Columbia. Of this amount, 40% must be invested by the end of the next following full fiscal year after the equity capital was raised and 80% must be invested by the end of the second following full fiscal year after the equity capital was raised. See Item 6 - “Income Tax Consequences”.

Provincial Government Disclaimer:

The Province of British Columbia in no way guarantees the value of any shares issued by a VCC registered under the SBVC Act nor does it in any way express an opinion as to the financial condition of the issuing company, or the merits of the Issuer’s investments in eligible small businesses or any business proposal.

FORWARD LOOKING STATEMENTS

This Offering Memorandum contains certain statements or disclosure that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Issuer anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking statements can be identified by the use of the words such as **potential, enable, plan, continue, contemplate** or the negative equivalent of those words or other comparable terminology, that certain actions, events or results **may, could, would, might, or will be taken, occur or be achieved**. Forward-looking information presented in such statements or disclosures may, among other things, relate to: the nature of the Issuer’s operations; sources of revenue; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Issuer to raise capital; the Issuer’s business outlook; plans and objectives for future operations; forecast business results; and anticipated financial performance.

The risks and uncertainties of the Issuer’s business, including those discussed under ITEM 9 – RISK FACTORS, could cause the Issuer’s actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, forward-looking statements are based on assumptions about future events, which may or may not prove to be accurate. In light of these risks, uncertainties and assumptions,

you should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in the Offering Memorandum may not occur.

The Issuer cannot assure prospective investors that its future results, levels of activity and achievements, or those of any EBC or ESB that it invests in, will occur as the Issuer expects, and neither the Issuer nor any other person will assume responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Issuer assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Issuer, from EBCs and ESBs that the Issuer invests in, third party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Offering Memorandum in connection with the statements or disclosure containing the forward-looking information. We caution you that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include but are not limited to:

- no significant adverse changes in economic conditions in the North American markets for companies that the Issuer invests in;
- a stable competitive or regulatory environment in the North American markets in which the Issuer and the EBCs and ESBs that it invests in operate;
- no significant adverse changes relating to the manufacturing of any products, including but not limited to manufacturing costs, produced by the EBCs and ESBs that the Issuer invests in;
- no significant adverse challenges to the proprietary rights associated with any products of EBCs and ESBs that the Issuer invests in;
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Offering Memorandum is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Issuer and/or the EBCs and ESBs that the Issuer invests in to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Issuer including information obtained by the Issuer from EBCs and ESBs that the Issuer invests in, from third party industry analysts and other third party sources. Actual results or outcomes may differ materially from those expressed by such statements or disclosures. While we do not know what impact any of those differences may have, the Issuer's and/or EBCs and ESBs that the Issuer invests in, business, results or operations, financial condition and its credit stability may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- manufacturing risks, including production delays, lack of availability of materials, escalation of production and labour costs and quality control;
- delays resulting from regulatory or industry reviews or approvals;
- the risks associated with general economic conditions including, but not limited to, general economic conditions affecting the Issuer, EBCs that the Issuer invests in, any related licensors, licensees,

manufacturers and distributors, and the consumers of the products for the EBCs and ESBs that the Issuer invests in;

- the risks of competitive products entering the market and the risks that the innovative products of the EBCs and ESBs that the Issuer invests in, will not be adopted or accepted into the market at the rate and to the extent planned;
- the risks that the marketing efforts and the development of the channels of distribution for the products of the EBCs and ESBs that the Issuer invests in, will be delayed or be insufficient;
- the risks associated with unanticipated products liability, intellectual property or other commercial litigation;
- the risks associated with the Issuer's and/or EBCs and ESBs that the Issuer invests in, financing efforts, including that the Issuer and/or EBCs and ESBs that the Issuer invests in, will not be able to arrange sufficient, cost-effective financing to finance their respective activities, fund capital expenditures and meet their other financial obligations;
- the Issuer and/or EBCs and ESBs that the Issuer invests in, may be adversely affected by changes in income tax laws and other laws, governmental policies or regulations;
- the risk that the Class "A" Shares cease to be a "qualified investment" for a RRSP, RRIF, RESP or TFSA for any reason or that an EBC or ESB that the Issuer invests in, ceases to qualify as an eligible small business under the SBVC Act; and
- legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters.

Investors are cautioned that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of the Issuer and/or EBCs and ESBs that the Issuer invests in, to differ materially from those contemplated (whether expressly or by implication) in the statements or disclosure containing forward-looking information are disclosed under ITEM 9: RISK FACTORS.

The Issuer is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, prospective investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

DEFINITIONS

“BC Tax Act” means the *Income Tax Act* (British Columbia), as amended.

“Class “A” Shares” means Class “A” Voting Common Shares, without nominal or par value in the capital of the Issuer;

“EBC” means an eligible business corporation as registered by the Investment Capital Branch of the BC Ministry of Jobs, Trade and Technology;

“ESB” means a “small business” (as defined in the IDAE Act) that meets the eligibility criteria applicable to an EBC;

“Exempt Market Dealer” means a person who is registered in the category of “Exempt Market Dealer” under NI 31-103;

“Finders” means any person, including an employee, consultant, or Exempt Market Dealer of the Issuer who finds an investor for the Offering;

“NI 31-103” means National Instrument 31-103 “Registration Requirements, Exemptions and Ongoing Registrant Obligations” promulgated by the Canadian Securities Administrators;

“NI 45-102” means National Instrument 45-102 “Resale of Securities” promulgated by the Canadian Securities Administrators;

“NI 45-106” means National Instrument 45-106 “Prospectus Exemptions” promulgated by the Canadian Securities Administrators;

“RFG” means RFG Robson Financial Inc. (formerly RCMA Financial Group Inc.);

“SBVC Act” means the *Small Business Venture Capital Act* (British Columbia);

“SBVC Regulations” means the regulations to the SBVC Act;

“Subscriber” means any investor who executes a Subscription Agreement for the purchase of Class “A” Shares;

“Subscription” means an offer to purchase Class “A” Shares pursuant to this Offering Memorandum;

“Subscription Agreement” means the agreement between the Subscriber and the Issuer for the Class “A” Shares;

“Tax Act” means the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.);

TABLE OF CONTENTS

1.	USE OF NET PROCEEDS	1
1.1	Net Proceeds	1
1.2	Use of Available Funds	1
1.3	Overview of the Offering	2
1.4	Reallocation	2
2.	THE BUSINESS OF HCM VENTURES (VCC) INC.	2
2.1	Business Structure	2
2.2	The Issuer’s Business.....	3
2.3	Development of the Issuer’s Business	5
2.4	The Issuer’s Long Term Objectives	5
2.5	The Issuer’s Short Term Objectives and How the Issuer Intends to Achieve Them.....	5
2.6	Insufficient Funds	6
2.7	Material Agreements	6
3.	DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS.....	8
3.1	Compensation and Securities Held	8
3.2	Management Experience	9
3.3	Penalties, Sanctions and Bankruptcy.....	10
3.4	Loans.....	10
4.	CAPITAL STRUCTURE	10
4.1	Share Capital.....	10
4.2	Long Term Debt.....	11
4.3	Prior Sales.....	11
5.	SECURITIES OFFERED	12
5.1	Terms of Securities	12
5.2	Subscription Qualification	13
5.3	Subscription Procedure.....	15
5.4	Exemptions from Registration Requirements.....	16
5.5	Exemptions from Prospectus Requirements	16
6.	INCOME TAX CONSEQUENCES	16
6.1	General.....	16
6.2	Income Tax Considerations - Subscriber	17
6.3	Eligibility for Registered Investments.....	18
6.4	Income Tax Considerations - Issuer.....	20
6.5	Tax Credit Pursuant to SBVC Act.....	20
7.	OFFERING MEMORANDUM MARKETING MATERIALS	22
8.	COMPENSATION PAID TO SELLERS AND FINDERS.....	22
9.	RISK FACTORS.....	23
9.1	Investment Risks.....	23
9.2	Issuer Risks.....	24
9.3	Industry Risks	26
9.4	Regulatory and Tax Risks.....	28
10.	REPORTING OBLIGATIONS	29
11.	RESALE RESTRICTIONS	29
12.	PURCHASER’S RIGHTS.....	30
12.1	Two Day Cancellation Right.....	30
12.2	Contractual Rights of Action in the Event of a Misrepresentation.....	30
12.3	Statutory Rights of Action in the Event of a Misrepresentation	30
13.	FINANCIAL STATEMENTS OF ISSUER.....	1
14.	DATE AND CERTIFICATE	1

1. USE OF NET PROCEEDS

1.1 Net Proceeds

The net proceeds of the Offering and the funds that will be available to the Issuer after the Offering will be as follows:

		Assuming Minimum Offering ¹	Assuming Maximum Offering
A.	Amount to be raised by this Offering	\$0	\$5,000,000
B.	Selling commission and fees	\$0	\$500,000
C.	Estimated Offering costs (e.g., legal, accounting, audit)	\$125,000	\$175,000
D.	Available funds: $D = A - (B + C)$	(\$150,000)	\$4,325,000
E.	Additional sources of funding required	\$0	\$675,000 ²
F.	Working capital deficiency	(\$150,000)	Nil
G.	Total: $G = (D+E) - F$	(\$150,000)	\$5,000,000

¹ As of the date of this Amended and Restated Offering Memorandum, the Issuer has raised aggregate gross proceeds of \$2,724,744.50, incurred selling commissions and fees of \$272,474.45, and incurred offering costs of approximately \$150,000.00, subject to the exercise of any two day cancellation rights described in Item 12.1. Taking into account these amounts, the available funds under item D would be \$2,302,270.05, the working capital deficiency under Item F would be “nil” and the total under item G would be \$Nil.

² The Issuer anticipates that it will obtain additional bridge financing and/or receive expense reimbursements or other payments of fees and/or expenses from EBCs and ESBs that the Issuer invests in sufficient to enable it to ultimately invest the equivalent of up to 100% of the proceeds of the Offering into such EBCs and ESBs.

1.2 Use of Available Funds

Net proceeds of the Offering will be released to the Issuer on the Closing Dates. The Issuer plans to use the available funds to purchase securities in EBCs and ESBs as follows:

Description of intended use of Available Funds listed in order of priority	Assuming Minimum Offering ¹	Assuming Maximum Offering
Net Proceeds	\$0	\$5,000,000
Make investments in EBCs and ESBs	\$0	\$4,750,000
Working capital reserve for general and administrative expenses, including legal and accounting costs, compliance costs, management and office services costs, etc.	\$0	\$250,000 ³

¹ As of the date of this Amended and Restated Offering Memorandum, the Issuer has raised aggregate gross proceeds of \$2,724,744.50 and incurred selling commissions and fees of \$272,474.45 subject to the exercise of any two day cancellation rights described in Item 12.1. Taking into account these amounts, and the estimated offering costs of \$150,000.00 (assuming the minimum offering), for the purposes of this Table 1.2, the net proceeds under this column would be \$2,302,270.05, all of which would be allocated to making investments in EBCs and ESBs.

² Net proceeds may be more or less than the amount shown.

³ The Issuer may determine to establish the working capital reserve from other sources, such as bridge financing and/or expense reimbursements or other payments of fees and/or expenses from EBCs and ESBs that the Issuer invests in. Under the SBVC Act, the Issuer is prohibited from using more than 20% of the funds raised to pay administrative and operating costs.

The Issuer anticipates that the funds invested in the EBCs and ESBs will be used to research, develop, market, launch and/or upgrade the products and/or services of the EBCs and ESBs that the Issuer invests in. The amounts of the Offering used, and the purposes of such amounts, by the respective EBCs and ESBs will be dependent on the investment amount paid by the Issuer and the stage of such EBC's or ESB's business.

1.3 Overview of the Offering

The Offering consists of up to 7,515,417 Class "A" Shares offered at a price of \$0.50 per Class "A" Share for up to the first 5,000,000 Class "A" Shares and thereafter at a price of \$1.00 per Class "A" Share for the remaining Class "A" Shares to an aggregate maximum of \$5,000,000. As of January 1, 2019, the Issuer had issued an aggregate of 5,030,835 Class "A" Shares at \$0.50 per Class "A" Share for aggregate gross proceeds of \$2,515,417.50 and determined to close the \$0.50 tier of the Offering at that time. As a result, an aggregate maximum of 2,484,582 Class "A" Shares is available for purchase under the \$1.00 tier of the Offering, of which 209,327 Class "A" Shares have been issued as of the date of this Amended and Restated Offering Memorandum for aggregate gross proceeds of \$209,327.00. See Item 5 – Securities Offered for additional terms of the Class "A" Shares. The Offering is intended to provide the Issuer with the necessary equity capital to invest in EBCs and ESBs to assist such businesses to carry out their business strategies. Pursuant to the SBVC Act, the Issuer may not expend more than 20% of its issued capital for administrative expenses (including commissions, legal and accounting expenses). Due to a difference in timing between when certain expenses and subscription funds are recorded for accounting and financial statements purposes, and when reimbursement of the reimbursable amount of certain expenses is received, the expenses limits may appear to be exceeded on an accounting and financial statement basis for an interim period of time, but the Issuer expects to be well within the expense limits for the purposes of the minimum investment requirements under the SBVC Act. See Item 2.1 – Business Structure and Item 2.2 – The Issuer's Business.

The Issuer will use the net proceeds of the Offering to invest in the equity of EBCs and ESBs. A maximum subscription under the Offering would result in the purchase by the Issuer of approximately \$5,000,000 in equity of selected EBCs and ESBs.

Until required for the Issuer's purposes, the proceeds from this Offering will be invested only in securities of, or those guaranteed by, the Government of Canada or any Province of Canada, or in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies. Any interest accrued on subscription proceeds will be solely for the account of the Issuer.

1.4 Reallocation

The Issuer intends to spend the available funds as stated and will reallocate the available funds only for sound business reasons. The Issuer does not intend to reallocate available funds for any purpose unrelated to advancement of its business strategy.

2. THE BUSINESS OF HCM VENTURES (VCC) INC.

2.1 Business Structure

The Issuer was created by way of incorporation under the *Business Corporations Act* (British Columbia) (the "Act"). A Certificate of Incorporation bearing registration number BC1104200 was issued on January 18, 2017. The Issuer's authorized share structure consists of an unlimited number of Class "A" Voting Common Shares, Class "B" Voting Common Shares, Class "C" Voting Common Shares and Class "D" Voting Shares. On January 24, 2017, the Issuer was registered as a VCC, pursuant to the SBVC Act. The Issuer has a head office located at Suite 2578 – 550 Burrard St., Vancouver, BC V7X 1A6 and has a registered office located at 301 – 1665 Ellis Street, Kelowna, BC V1Y 2B3.

The Issuer has, to date, completed the raising of \$2,724,444.50 in equity capital under the Equity Capital Program.

The Issuer is not a reporting issuer within the meaning of the *Securities Act* (BC).

The first director, by way of resolutions in writing, appointed BDO Canada LLP to act as the Issuer's first auditor until the Issuer holds its first annual general meeting. BDO Canada LLP was reappointed as the Issuer's auditor by the shareholders at the Issuer's annual general meeting held December 7, 2018. The articles of the Issuer provide that the directors have the authority to set the remuneration of the auditor.

2.2 The Issuer's Business

The Issuer is a private British Columbia company incorporated solely for the purpose of making eligible investments in EBCs and ESBs and providing business and managerial expertise to EBCs and ESBs in which it has made or proposes to make an eligible investment under the SBVC Act. The Issuer is an early stage venture capital firm focused on investing in EBCs and ESBs within the technology and life sciences sectors. A more detailed description of the investment criteria for investment in EBCs and ESBs appears below.

Investors are cautioned that while the Issuer will seek opportunities with EBCs and ESBs that demonstrate a potential for a 24 to 36 month investment period from investment to exit, investments and exit time lines for growth companies in the technology and life sciences sectors are often unpredictable and can represent longer term investments of 5 years or more. As required by the SBVC Act, the Issuer will be acquiring equity securities (and/or securities convertible into equity securities, where permitted under the SBVC Act) from the EBCs and ESBs in which it invests. As such, the Issuer does not anticipate receiving a return of capital or any substantial return on investment on any particular EBC or ESB investment until such time as that EBC or ESB realizes a liquidity event (such as going public transaction or an acquisition or other business combination transaction) or the EBC or ESB generates sufficient earnings and cash flow to enable it to undertake a return of capital or other distribution to the Issuer. Although the Issuer may have certain input into such transactions in some cases, it will not be in a position to control the nature or timing of such transactions. As a result, the EBC and ESB investments which the Issuer undertakes will, in most cases, be considered to be illiquid.

The Issuer has access to a pipeline of investment opportunities through RFG and both RFG and the directors of the Issuer have established relationships with local incubators, accelerators, other investors and funders and other intermediaries. Notwithstanding these factors, identifying and attracting high quality EBCs and ESBs with growth potential can be very competitive and challenging. There is a risk that the Issuer may not be able to identify and attract deals that are suitable for the Issuer and its objectives.

See Item 9 - Risk Factors for additional discussion of the nature of the Issuer's business.

Investment Strategy

The Issuer's investment strategy is comprised of five main elements:

1. Identify early stage companies and investment opportunities through our network of contacts in the Western Canadian technology and life science industries, specifically leveraging our relationships with successful start-up incubators that have a proven track record of cultivating business concepts into growing cash flow.
2. Conducting thorough due diligence and investing in the most promising of these companies via seed and/or venture financing rounds.
3. Assisting EBC and ESB management to build the business through active mentoring, assisting in the recruitment of key board and management positions, and advising on financing, mergers and acquisitions and corporate partnering strategies.
4. Provide the financial resources to support the EBC's or ESB's growth requirements.
5. Actively manage the investment exit with a view to maximizing value for the Issuer's shareholders.

Investment Criteria

Prospective investee EBCs and ESBs must meet the EBC requirements under the SBVC Act which include, among other things, that the EBC or ESB:

- (i) Together with their affiliates, have no more than 100 employees;
- (ii) Pay at least 50% of the wages and salaries to employees who regularly report to work in British Columbia (75% if the EBC or ESB is not engaged in the export of goods from British Columbia or the provision of services outside of British Columbia); and
- (iii) Be substantially engaged in a qualifying activity under the SBVC Act.

In addition to the investment criteria prescribed by the Act, the Issuer seeks to invest in companies that have:

- (i) Proprietary products and/or services that have a distinct competitive advantage, effective barriers to entry and solutions that are sought by large and/or expanding markets;
- (ii) A unique value proposition that addresses a substantial unmet need in the market place;
- (iii) A highly motivated and capable management team with the understanding and readiness to take on what is required to move the EBC or ESB through the accelerated growth stage;
- (iv) The potential for a 24 to 36 month investment period from investment to exit with the realistic potential for a 35% annual average return over the investment period; and
- (v) Clear exit opportunities within the anticipated investment period via sale to strategic buyer, acquisition by private equity group, initial public offering, redemption or the like.

Investment Sectors

The Issuer intends to target high growth potential EBCs and ESBs within the following sectors.

- (i) Information technology;
- (ii) Communication technology;
- (iii) Wireless technology;
- (iv) Life sciences; and
- (v) Clean technology.

Additional Requirements for Investments

The SBVC Act establishes certain additional requirements for investments by VCCs, including the following:

- (i) The VCC, together with certain deemed related parties and other VCCs, must not own, directly or indirectly, shares carrying 50% or more of the votes for the election of directors of the EBC or ESB or, in any manner, control the EBC or ESB;
- (ii) The investment must be at risk and at arm's length, as contemplated by the SBVC Act; and
- (iii) Subject to certain exceptions, the investment must not make or hold an investment in an EBC or ESB if all or a part of the proceeds of the investment are directly or indirectly used or intended to be used by the EBC or ESB for any of the following purposes:
 - (a) lending;
 - (b) investment outside of British Columbia;
 - (c) investment in land, unless the investment is incidental or ancillary to the EBCs or ESBs eligible activities under the SBVC Act;

- (d) acquiring securities other than equity securities of an affiliate of the EBC or ESB;
- (e) purchasing goods or services from the VCC or a director, officer or shareholder of the VCC (or their respective associates, as defined in the SBVC Act) other than (i) business and managerial services that are purchased at fair market value by the EBC or ESB and (ii) goods or services that are sold at fair market value to the EBC or ESB in the ordinary course of the seller's business as a seller of such goods or services in the open market;
- (f) payment of all or part of a debt obligations (except as permitted under the SBVC Act); and
- (g) certain other prescribed purposes;

Please refer to the SBVC Act and SBVC Regulation for a complete description of the permitted and prohibited investments.

2.3 Development of the Issuer's Business

The Issuer was incorporated on January 18, 2017. Its fiscal year end is February 28. The Issuer was registered as a VCC under the SBVC Act on January 24, 2017. Since incorporation, the Issuer has been engaged primarily in structuring and organizing itself as a VCC and undertaking the Offering. To date, the Issuer has raised \$2,724,744.50 of investment capital. The Issuer's board of directors currently consists of two members: Glen Vause, who has been a director since January 18, 2017, and Fred Munn, who has been a director since November 30, 2017 (see Item 3 – Directors, Management, Promoters and Principal Holders). The Issuer has made two investments in ESBs to date in the aggregate amount of \$710,000 and continues to be engaged in ongoing discussions within its network of start-up incubators, angel investors and venture capital investors regarding additional prospective investment opportunities in other EBCs and ESBs.

2.4 The Issuer's Long Term Objectives

The Issuer's long term objective is to raise equity capital under the Equity Capital Program and to invest the maximum available net proceeds from such financings into EBCs and ESBs to support their business objectives, all in accordance with the requirements of the SBVC Act.

2.5 The Issuer's Short Term Objectives and How the Issuer Intends to Achieve Them

The following are the Issuer's short term objectives that it plans to achieve over the next twelve (12) months:

	What the Issuer must do and how it will do it	Target completion date or, if not known number of months to complete	Cost to complete ¹
a.	Continue the Offering Under this Amended and Restated Offering Memorandum	November 1, 2019	\$5,000
b.	Continue investments into EBCs and ESBs	Ongoing	\$10,000
c.	Complete the Offering	4 months ²	\$250,000

d.	Complete the investments into identified EBCs and ESBs	December 31, 2020	\$25,000
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¹ The Issuer anticipates that an aggregate amount equal to approximately 100% of these costs will be borne by or recovered from identified EBCs and ESBs through a combination of work fees, expense reimbursements and other payments from such EBCs and ESBs.

² The Issuer's current additional equity allocation under the SBVC Act for the 2019 tax credit budget expires on December 31, 2019. The Issuer intends to apply for a further additional equity allocation under the SBVC Act for the 2019 tax credit budget to enable it to target a completion date for the Offering during the 2019 tax credit budget period ending on March 2, 2020.

2.6 Insufficient Funds

The net proceeds received from the Offering may not be sufficient to accomplish all of the selected EBCs' and ESBs' proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

The Issuer has entered into the following material agreements.

A. Management and Office Services Agreement

The Issuer has entered into a Management and Office Services Agreement dated January 25, 2017 with RFG whereby RFG has agreed to provide management services for the Issuer and specifically will be assisting the Issuer with identifying EBCs and ESBs that have strong management, realistic business plans and a strong likelihood of success if provided with investment funds from the Issuer. RFG has established relationships within the private equity and early stage venture incubator communities in Canada, as well as with independent investment due diligence consultants. RFG will use its established relationships to identify prospective investment opportunities in EBCs and ESBs for the Issuer and will arrange for independent due diligence to be conducted where appropriate.

RFG's services under the Management and Office Services Agreement include the following:

- (a) supplying all office, secretarial, telephone answering, bookkeeping and clerical services required for the efficient carrying on of the Issuer's business;
- (b) ordering and supplying all letterhead, copy paper, ink, pencils and generally all office supplies necessary for the carrying on of the Issuer's business;
- (c) ensuring the payment of all expenses, including professional fees, sales and income taxes, regulatory fees and expenses and other financial obligations;
- (d) overseeing maintenance of the books and records of the Issuer;
- (e) conducting the banking business of the Issuer, including managing the cash reserves, bank accounts and Investment Protection Account (as defined in the SBVC Act) and furnishing the Issuer with periodic reports of the state of the accounts;
- (f) implementing the Issuer's policies and procedures including any investment policies, valuation and conflicts of interest policies;
- (g) providing support and assistance to the Issuer's directors and officers with respect to the Issuer's marketing activities including liaising with investors and coordinating meetings with investors and assisting with the management and sourcing of investment opportunities;
- (h) ensuring the Issuer has a good working relationship with all governmental and regulatory bodies and is in compliance with all applicable legal and regulatory requirements;
- (i) working with the Issuer's directors to ensure the Issuer is following proper corporate governance procedures;
- (j) reporting to the shareholders, maintaining share registers, shareholder communications and shareholders meetings;

- (k) coordinating investments on behalf of the Issuer with prospective investee companies and associated third parties, including arranging for appropriate due diligence on prospective investee companies and the preparation of investment transaction information summaries and term sheets for consideration and approval by the Issuer and its board of directors;
- (l) preparing a divestiture plan for consideration by the Issuer and its board of directors concerning its holdings in each investee company which is consistent with the Issuer's general plan for divestiture of its investments;
- (m) conducting daily routine correspondence including the sealing and distributing of all incoming mail and dispatching all outgoing mail;
- (n) conducting all other aspects of the day-to-day administrative and operational management of the business and affairs of the Issuer;
- (o) reporting periodically to the Issuer on its business operations and making recommendations in connection with it;
- (p) paying all utility charges, business taxes, insurance premiums and other expenses in connection with the office premises provided to the Issuer; and
- (q) performing such other services as may be agreed to by the Issuer and RFG from time to time.

For these services, RFG is entitled to receive a success fee equal to 25% of the gross return (including all capital gains, dividends and other distributions) realized by the Issuer from all investments made by the Issuer in investee EBCs and ESBs (plus applicable taxes); provided, however, that where the gross return includes non-cash items (including, without limitation, securities of another issuer), the gross return shall be calculated on the basis of the actual cash proceeds ultimately realized by the Issuer upon the disposition of such non-cash items for cash proceeds. RFG is also entitled to be reimbursed for its out-of-pocket expenses incurred or paid by RFG on behalf of the Issuer, as well as all indirect costs and expenses incurred or paid for by RFG in the course of providing the Issuer with the services, supplies, office premises, furniture, equipment and any repairs thereof. Where mutually agreed by the Issuer and RFG, RFG may be permitted to provide certain services to investee or prospective investee EBCs and ESBs and RFG may receive additional compensation from the Issuer as mutually agreed, provided that such additional compensation is paid by the investee EBC or ESB as a work fee, consulting fee or otherwise. The success fee will be calculated and paid after the Issuer has divested all applicable investments in investee EBCs and ESBs and received the proceeds of the same; provided, however that if the Issuer has made aggregate distributions to its shareholders in an amount that is equal to or greater than 100% of the aggregate amount of equity capital raised by the Issuer, then the success fee will be calculated and paid on a rolling basis on any divestiture proceeds which exceeds that aggregate amount.

Glen Vause, a director of the Issuer, is also a director and principal shareholder of RFG.

B. Investment Agreement with 1216414 B.C. Ltd.

The Issuer has entered into an Investment Agreement dated August 2, 2019 with 1216414 B.C. Ltd. dba eOmni Solutions ("eOmni") pursuant to which the Issuer has agreed to invest an aggregate gross amount of \$250,000.00 for Class "C" Preferred Shares of eOmni at a price of \$1,000 per Class "C" Preferred Share. The Class "C" Preferred Shares carry a cumulative 10% dividend rate and are exchangeable for the equivalent of 25% of eOmni Common Shares. eOmni currently has 10,000 Common Shares issued and outstanding. The Issuer also has the right to appoint a director to eOmni's board of directors and Glen Vause is expected to become a director of eOmni in due course.

eOmni is engaged in the development and distribution of a proprietary interactive software product that provides, among other things, information, management and transaction administration tools designed for use within the real estate brokerage and property management sectors.

C. Investment Agreement with 1216564 B.C. Ltd.

The Issuer has entered into an Investment Agreement dated August 9, 2019 with 1216564 B.C. Ltd. dba BlockCerts Blockchain (“564”) pursuant to which the Issuer has agreed to invest an aggregate gross amount of \$460,000.00 for Class “C” Preferred Shares of 564 at a price of \$1,000 per Class “C” Preferred Share. The Class “C” Preferred Shares carry a cumulative 10% dividend rate. The Issuer also has the right to appoint a director to 564’s board of directors and Glen Vause is expected to become a director of 564 in due course.

564 is engaged in the development of customized applications based on a third party proprietary customizable software as a service application using blockchain distributed ledger technology. The customized 564 applications are capable of featuring a variety of functions and solutions, but not limited to, smart contracts, reporting, secure payment processing, secure file storage, secure file sharing, customer relations management and secure communications across multiple sectors.

The above-noted written agreements may be inspected at the offices of the Issuer’s solicitors during ordinary business hours.

3. DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each director, officer and promoter of the Issuer and each person who directly or indirectly, beneficially owns or controls ten (10%) percent or more of any class of voting securities of the Issuer (a “Principal Holder”).

Name and municipality of principal residence	Position held (e.g., director, officer, promoter and/or Principal Holder) and the date of obtaining position	Compensation paid by the Issuer since inception and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Issuer held after completion of Minimum Offering ²	Number, type and percentage of securities of the Issuer held after completion of Maximum Offering ³
Glen Eugene Vause West Kelowna, BC	Director, Officer January 18, 2017	Nil	100 Class “D” Voting Shares (0.0019%)	100 Class “D” Voting Shares (0.0013%)
Fred Richard Munn Edmonton, AB	Director November 30, 2017	\$5,000 ⁴	0 (0%)	0 (0%)
RFG Robson Financial Inc. (formerly RCMA Financial Group Inc.) Kelowna, BC	Promoter January 25, 2017	see note 1	0 (0%)	0 (0%)

¹ RFG is compensated by the Issuer solely pursuant to the Management and Office Services Agreement described in Item 2.6 - Material Agreements. The Issuer has not paid any compensation to RFG to date. The Issuer does not anticipate paying any compensation to RFG in the current financial year other than reimbursement for out-of-pocket expenses and indirect costs and expenses incurred or paid by RFG in the course of providing the Issuer with the services, supplies, office premises, equipment and repair thereof pursuant to the Management and Office Services Agreement which the Issuer anticipates will be less than \$10,000 in the current financial year.

² Based on current issued and outstanding Class “A” Shares and assuming that the two day cancellation right described in Item 12.1 will not be exercised by any parties to whom such two day cancellation right applies.

³ Assumes that Principal Holder will not participate in future Closings under this Offering.

⁴ The Issuer anticipates paying director compensation of \$5000 per year, plus out-of-pocket expenses, to Mr. Munn. In addition, it is anticipated that Mr. Munn, through his corporation Sherwood Management Corp., will be paid a subscription processing fee of up to \$90 per subscription that is processed through RFG. This expense will be payable by RFG but will be reimbursable by the Issuer to RFG as an out-of-pocket expense under the RFG Management and Office Services Agreement. It is anticipated that the aggregate value of these fees will be up to approximately \$45,000 if the Maximum Offering is achieved at the minimum subscription amount of \$10,000 per subscription.

3.2 Management Experience

Name	Principal occupation and related experience
Glen Eugene Vause	<p>Over the last 20 years Mr. Vause has acted in roles ranging from founder to advisor for several rapid growth companies including Encore Vineyards Ltd., which owns and operates multiple winery assets in British Columbia, DVDPlay (Redbox), an automated movie rental service, and West Coast ATM Financial, a white label ATM provider in Western Canada. In these capacities, Mr. Vause has overseen capital formation, strategy development, financial/project management, acquisitions/rollups/divestitures and value creator for underperforming assets. Mr. Vause has significant experience in the financial industry, covering a multitude of areas and industries, both private and public through his work with Titan Pacific Capital Partners, LLC. His responsibilities included principal trading, equity and debt raising, mergers and acquisitions and venture capital as a facilitator and principal investor in real estate, energy, financial services, viticulture, agriculture and consumer finance industries Mr. Vause has been a director of the following additional VCCs registered under the SBVC Act: Somalife Ventures (VCC) Inc., Trenchant Ventures (VCC) Inc., Fanson Ventures (VCC) Inc., Obsidian Capital (VCC) Inc., HCM Ventures BC (VCC) Inc. and Biosignaturis Health (VCC) Inc. Mr. Vause has been a director of HCM Ventures Alberta (VCC) Inc., a venture capital corporation registered under the <i>Investing in a Diversified Economy Act</i> (Alberta), since its inception on May 4, 2017. Mr. Vause is also a director and principal shareholder of RFG and a director and officer of several private, closely-held entities that provide managerial services to certain venture capital corporations.</p>
Fred Richard Munn	<p>Mr. Munn is a seasoned former professional banker, venture capitalist and business management professional with over 20 years of experience. From 1992 until 2008, Mr. Munn held a number of senior roles, such as Senior Operations Manager, Branch Manager and Commercial Business Relationship Manager, with ATB Financial (a regional Alberta-based bank). Mr. Munn managed ATB Edmonton Main Branch for three years, the bank’s flagship branch with the largest portfolio in excess of \$500 Million combined loans and deposits. He led the team to net results of \$65 Million growth. As a Commercial Business Relationship Manager, Business Sales & Service, Mr. Munn managed a portfolio of clients in the mid-size market with borrowing requirements of \$5 Million.</p> <p>Mr. Munn is currently the Canadian director for several entities related to Rockspring Capital, a Texas real estate firm that has entered Canada to acquire investor capital utilizing the exempt market distribution model. Mr. Munn’s role within Rockspring is to act as guardian/monitor on behalf of investors and enforce strict policies and controls with respect to asset management and governance. To date, Rockspring has successfully raised \$75 Million dollars through its first three investment trusts and their related administrator companies and general partner companies: (i) Rockspring Capital Texas Real Estate Trust II (for which Mr. Munn has served as director since January 2013, along with the related Rockspring Capital Texas Real Estate Adminco Inc. and Rockspring Capital Texas Real Estate GP Inc.), (ii) Rockspring Capital Texas Real Estate Trust I (for which Mr. Munn has served as director since July 2014, along with</p>

	<p>the related Rockspring Capital Texas Real Estate Adminco II Inc. and Rockspring Capital Texas Real Estate GP II Inc.) and (iii) Rockspring Capital Texas Real Estate Trust III (for which Mr. Munn has served as director since April 2016, along with the related Rockspring Capital Texas Real Estate Adminco III Inc. and Rockspring Capital Texas Real Estate GP III Inc.).</p> <p>In addition to Rockspring, Mr. Munn has held both senior level and executive positions in a variety of leading information, technology and communications companies with roles at Machlink Corporation (a private security and monitoring company for which Mr. Munn currently serves as director, President and CEO), Uniserve Communications Corp. (a public company for which Mr. Munn served as a director from January 2014 to April 2015) and Orion Networks Monitoring Inc. (a private company for which Mr. Munn has served as a director from October 2016 to present). In April 2017, Mr. Munn was selected to join the National Board for CANASA - The Canadian Security Association. Established in 1977, CANASA advocates, educates and provides leadership to its members across Canada in a self-regulated environment of Canadian security professionals.</p> <p>During the past five years, Mr. Munn has also served as director and officer of several private, closely held companies of which he is a principal, including 1418720 Alberta Ltd. (a private holding company), Sherwood Management Corp. (a private management services company), Goldstone Capital Inc. (the general partner of Goldstone Capital Limited Partnership), and Charity Solutions Inc. (a private company owned by Mr. Munn, along with his wife, which was established in 2008 and is dedicated to assisting charities and non-profit organizations across Western Canada). He has been a director of HCM Ventures Alberta (VCC) Inc., a venture capital corporation registered under the <i>Investing in a Diversified Economy Act</i> (Alberta), since May 11, 2017.</p> <p>Mr. Munn has also completed the ICD-Rotman Directors Education Program.</p>
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There are no existing material conflicts of interest among the Issuer, its directors, officers, principal security holders, promoters or persons providing professional services to the Issuer that could reasonably be expected to affect the investment decision of a Subscriber. However, potential conflicts of interest could arise in the future if, for example, a dispute were to arise under the Management and Officer Services Agreement between the Issuer and RFG, of which Mr. Vause is a director and principal shareholder. See Item 9.2 – Issuer Risks (Conflicts of Interest).

3.3 Penalties, Sanctions and Bankruptcy

No director or officer, nor any company of which any director or officer is or has been a director, senior officer or control person, is or was subject to a penalty or sanction, a declaration of or voluntary assignment in bankruptcy, a proposal under bankruptcy or insolvency legislation, a proceeding, arrangement or compromise with creditors or an appointment of a receiver, receiver manager or trustee of assets, which is currently in effect or has been in effect during the last ten (10) years nor any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years.

3.4 Loans

Nil.

4. CAPITAL STRUCTURE

4.1 Share Capital

The following table provides a summary of the outstanding securities of the Issuer (including options, warrants, and other securities convertible into Class “A” Shares).

Description of security	Number authorized to be issued	Number outstanding as at October 31, 2019	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Class "A" Voting Common Shares	Unlimited	5,240,162	5,240,162	7,515,417 ^{1,2}
Class "B" Voting Common Shares	Unlimited	0	0	0
Class "C" Voting Common Shares	Unlimited	0	0	0
Class "D" Voting Shares	Unlimited	100	100	100

¹ This Amended and Restated Offering Memorandum replaces the Issuer's previous Amended and Restated Offering Memorandum dated October 3, 2018. In addition to being provided to new subscribers, this Amended and Restated Offering Memorandum will be provided to certain parties that provided executed subscription documents pursuant to the Issuer's Amended Offering Memorandum dated February 21, 2018. Such parties will be asked to execute and deliver an updated Risk Acknowledgement Form attached as Exhibit "I" to Schedule "A" of the Offering Memorandum (see Item 5.3) in order to bring their Subscriptions in to compliance with the requirements of the Offering Memorandum exemption under NI 45-106 and will be provided with the two day cancellation right described in Item 12.1 from the date that they sign the updated Risk Acknowledgement Form. Accordingly, the securities shown as issued and outstanding as of October 31, 2019 are subject to revision in respect of any corresponding Subscriptions for which such two day cancellation right may be exercised.

² As of January 1, 2019, the Issuer had issued an aggregate of 5,030,835 Class "A" Shares at \$0.50 per Class "A" Share for aggregate gross proceeds of \$2,624,744.50 and determined to close the \$0.50 tier of the Offering at that time. As a result, an aggregate maximum of 2,484,582 Class "A" Shares is available for purchase under the \$1.00 tier of the Offering which, if fully subscribed, would result in an aggregate of 7,515,417 issued and outstanding Class "A" Shares, subject to the preceding note 1.

4.2 Long Term Debt

The following table summarizes information about outstanding long term debt of the Issuer.

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at October 31, 2018
Nil	Nil	Nil	Nil

4.3 Prior Sales

The Issuer has issued the following securities during the last twelve (12) months:

Date of issuance ⁽¹⁾	Type of security issued	Number of securities issued	Price per security	Total funds received
Oct. 29, 2018	Class "A" Voting Common Shares	632,030	\$0.50	\$316,015
Nov. 9, 2018	Class "A" Voting Common Shares	805,391	\$0.50	\$402,695.50
Dec 3, 2018	Class "A" Voting Common Shares	1,046,737	\$0.50	\$523,368.50

Dec. 19, 2018	Class “A” Voting Common Shares	849,469	\$0.50	\$424,734.50
Dec. 31, 2018	Class “A” Voting Common Shares	30,000	\$0.50	\$15,000.00
Feb 27, 2019	Class “A” Voting Common Shares	65,000	\$1.00	\$65,000.00
Feb. 28, 2019	Class “A” Voting Common Shares	12,327	\$1.00	\$12,327.00
May 16, 2019	Class “A” Voting Common Shares	22,000	\$1.00	\$22,000.00
June 28, 2019	Class “A” Voting Common Shares	10,000	\$1.00	\$10,000.00
August 21, 2019	Class “A” Voting Common Shares	100,000	\$1.00	\$100,000.00

5. SECURITIES OFFERED

5.1 Terms of Securities

The Issuer is authorized to issue an unlimited number of Class “A” Voting Common Shares (the Class “A” Shares), Class “B” Voting Common Shares (the “Class “B” Shares”), Class “C” Voting Common Shares (the “Class “C” Shares”) and Class “D” Voting Shares (“Class “D” Shares”) all without nominal or par value (the Class “A” Shares, the Class “B” Shares and the Class “C” Shares are collectively referred to herein as the “VCC Common Shares”). Subject to the Issuer’s articles, applicable corporate law and the SBVC Act, the directors of the Issuer are at liberty to declare non-cumulative dividends on each class of the VCC Common Shares in such amounts and at such times as the directors shall determine. However, unless approved by an ordinary resolution of the holders of the Class “A” Shares, the Class “B” Shares and the Class “C” Shares, respectively, if and when the Issuer declares a distribution or dividend on any class of shares it shall (i) simultaneously declare a distribution or a dividend in the same amount per share, but not necessarily of the same type, in respect of every other class of VCC Common Shares and pay all declared distributions and dividends at the same time and in the same manner for all classes of VCC Common Shares. No dividend shall be declared or paid on the Class “D” Shares. The Issuer does not anticipate declaring dividends or distributions for the foreseeable future. The directors of the Issuer may consider declaring dividends on distributions in the future when operational circumstances, including earnings, cash flow and financial and business considerations permit.

Holders of the VCC Common Shares and the Class “D” Shares are entitled to receive notice of and attend all meetings of shareholders of the Issuer and are entitled to vote at any such meeting. Each VCC Common Share and each Class “D” Share entitles the holder thereof to one vote per share. The directors may call a meeting of shareholders whenever they see fit. For so long as the Issuer is not a public company, the Issuer must send notice of the time, date and location of any meeting of the shareholders at least 10 days before the meeting. Notices to shareholders may be sent by mail or delivery to the registered address of the shareholder. Notices mailed to a shareholder by ordinary mail will be deemed to have been received by the shareholder on the day following the date of mailing, Saturdays, Sundays and holidays excepted.

Upon liquidation or winding-up of the Issuer, each holder of a Class “D” Share shall be entitled to be paid an amount equal to the lesser of the issue price of such Class “D” Share and the value of the consideration received by the Issuer in respect of such Class “D” Share and the holders of the VCC Common Shares shall be entitled to share in the distribution of the assets of the Issuer, with each of the VCC Common Shares ranking *pari passu*. **The Class “A” Shares, the Class “B” Shares, the Class “C” Shares and the Class “D” Shares are all non-**

redeemable. Pursuant to the provisions of the SBVC Act, if a VCC directly or indirectly acquires one of its own shares, the VCC will become liable to pay all or a portion of the associated tax credit to the provincial Minister of Finance in an amount calculated in accordance with Section 22(2) of the SBVC Act. The Issuer anticipates that, upon meeting the SBVC Act requirements of having at least 80% of its raised equity capital invested in one or more eligible small businesses for an aggregate of at least 5 years, at which point it will no longer have any tax credit repayment liability, the Issuer will then de-register as a VCC. Once it has been de-registered as a VCC, subject to obtaining the required shareholder approval and, as warranted, exited or otherwise liquidated its investments, the Issuer will be wound up and its assets distributed to the holders of the VCC common Shares ranking *pari passu*.

The Subscription Price for the Class “A” Shares has been arbitrarily determined by the Issuer. The Issuer is offering a maximum of 7,515,417 Class “A” Shares for gross aggregate proceeds of up to \$5,000,000. **Should the maximum offering not be subscribed for, the Issuer intends to seek investments for the Class “A” Shares from persons who are exempt from prospectus and registration requirements pursuant to exemptions provided by NI 45-106.**

The share certificates issued in respect of any Subscriptions will contain a legend setting out the resale restrictions under the applicable securities legislation, as described in Item 11.1. The share certificates will also contain a legend as required under the SBVC Act which states: “The value of these shares may be significantly affected by the repayment provisions of Section 22 of the *Small Business Venture Capital Act*.”

5.2 Subscription Qualification

The Corporation is offering in the Provinces and Territories of Canada, pursuant to prospectus and registration exemptions under the securities legislation of such jurisdictions, up to 7,515,417 Class “A” Shares. The issue price per Class “A” Share is equal to \$0.50 per Class “A” Share for up to the first 5,000,000 Class “A” Shares sold and thereafter is equal to \$1.00 per Class “A” Share for the remaining Class “A” Shares sold to an aggregate maximum of \$5,000,000. . As of January 1, 2019, the Issuer had issued an aggregate of 5,030,835 Class “A” Shares at \$0.50 per Class “A” Share for aggregate gross proceeds of \$2,624,744.50 and determined to close the \$0.50 tier of the Offering at that time. As a result, an aggregate maximum of 2,484,582 Class “A” Shares is available for purchase under the \$1.00 tier of the Offering, of which 209,327 Class “A” Shares have been issued as of the date of this Amended and Restated Offering Memorandum for aggregate gross proceeds of \$209,327.00.

The Class “A” Shares are offered pursuant to any one of the exemptions under NI 45-106 from the prospectus requirements of applicable securities laws and the exemptions under NI 31-103 from the registration requirements of applicable securities laws. Such exemptions relieve the Issuer from provisions under applicable securities laws requiring the Issuer to file a prospectus and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities commission or similar authority.

While NI 45-106 provides for several different possible prospectus exemptions, the most commonly used exemptions utilized for an investment in the Class “A” Shares are the “accredited investor”, “minimum amount investment” and “offering memorandum” exemptions, the terms and conditions of which are summarized below.

Accredited Investor

In all jurisdictions an investor may purchase Class “A” Shares if the investor is an “accredited investor” and purchases the Class “A” Shares as principal. An “accredited investor” is defined in NI 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For example, for an individual person to qualify as an “accredited investor” they must generally meet one of the following criteria: (i) annual net income of at least \$200,000 for the last two years (or \$300,000 if combined with their spouse); (ii) net assets of at least \$5,000,000, either alone or combined with their spouse; or (iii) net financial assets (i.e. cash, securities,

deposits, but excluding real estate and other non-financial assets) of more than \$1,000,000, either alone or combined with their spouse. The Subscription Agreement includes a more detailed description of “accredited investor” and requires the investor relying on this exemption to certify that they meet at least one of the “accredited investor” criteria. Certain individuals who are relying on the accredited investor exemption will also be required to complete and sign a Risk Acknowledgement Form 45-106F9.

Minimum Amount Exemption

In all jurisdictions, an investor who is not an individual may purchase Class “A” Shares, as principal, having a minimum cash acquisition cost of \$150,000. For purposes of determining eligibility for subscribing for Class “A” Shares pursuant to the “minimum amount investment” exemption, an “individual” means a natural person and does not include any of the following: partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts and natural persons acting in the capacity of trustee, executor, administrator or personal or other legal representative. The minimum amount investment exemption is not available for an investor that was created or is used solely to purchase or hold securities in reliance on this exemption.

Offering Memorandum Exemption

In **British Columbia and Newfoundland and Labrador**, an investor may purchase Class “A” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgement Form 45-106F4 which accompanies the Subscription Agreement and delivers it to the Corporation.

In **Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon**, an investor, who is purchasing as principal and is either an “eligible investor” (see below) or the cash acquisition cost to that investor does not exceed \$10,000, may purchase Class “A” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum and completes and signs the Risk Acknowledgement Form 45-106F4 and the Representation Letter which accompany the Subscription Agreement and delivers them to the Corporation.

In **Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan**, subject to certain investment limitations, an investor who is purchasing as principal, may purchase Class “A” Shares if, before or at the time the investor completes and signs the Subscription Agreement, the investor receives this Offering Memorandum, the investor completes and signs the Risk Acknowledgement Form 45-106F4, the Schedule 1 Classification of Investors Under the Offering Memorandum Exemption and the Schedule 2 Investment Limits for Investors Under the Offering Memorandum Exemption which accompany the Subscription Agreement and delivers them to the Corporation.

In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan there are limitations on how much an individual investor may invest in the Corporation, such limitations being set out as follows:

- (i) if the investor is an individual and does not qualify as an “eligible investor”, the maximum value of shares purchased under the Offering Memorandum Exemption, for an investment in any company, during the twelve month period preceding the completion of the Subscription Agreement by the investor, including the value of the Class “A” Shares being purchased, cannot exceed \$10,000 in the aggregate;
- (ii) if the investor is an individual and qualifies as an “eligible investor”, the maximum value of shares purchased under the Offering Memorandum Exemption, for an investment in any company, during the twelve month period preceding the completion of the Subscription Agreement by the investor, including the value of the Class “A” Shares being purchased, cannot exceed \$30,000 in the aggregate; and
- (iii) if the investor is an individual and qualifies as an “eligible investor” and has been advised by a portfolio manager, investment dealer or exempt market dealer that the investment in the Class “A” Shares is suitable, the maximum value of shares purchased under the Offering Memorandum Exemption, for an investment in any company, during the twelve month period

preceding the completion of the Subscription Agreement by the investor, including the value of the Class “A” Shares being purchased, cannot exceed \$100,000 in the aggregate.

Exemptions from Investment Limits

The investment limits noted above do not apply to Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan non-individual investors, provided that such non-individual investors were not created, or used, solely to purchase or hold securities in reliance on the exemption from prospectus requirements as set out in subsection 2.1 of NI 45-106.

The investment limits noted also do not apply to Alberta, New Brunswick, Nova Scotia, Ontario, Québec Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Yukon and Saskatchewan investors who are accredited investors or are persons who are closely associated with the Issuer either by way of being an officer or director of the Issuer or an affiliate of the Issuer or by way of having a close personal friendship or close business association with an officer or director of the Issuer or an affiliate of the Issuer.

Definition of “eligible investor”

An “eligible investor” is defined in NI 45-106 and is essentially an investor that meets certain minimum income or wealth criteria and can include individuals, corporations, trusts, investment funds and other types of legal entities. For more specific information on the qualifications necessary to be deemed an “eligible investor” please refer to the Representation Letter attached to the Subscription Agreement if you are an investor resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or the Yukon or refer to the Schedule 1 - Classification of Investors Under the Offering Memorandum Exemption attached to the Subscription Agreement if you are an investor resident in Alberta, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan.

5.3 Subscription Procedure

To subscribe for the Class “A” Shares, Subscribers must deliver to the Issuer or to Pushor Mitchell LLP, the following:

- (a) a Subscription Agreement completed and executed, substantially in accordance with the form attached as Schedule “A” indicating the number of Class “A” Shares that the subscriber wishes to purchase;
- (b) a certified cheque, bank draft or money order payable to “Pushor Mitchell LLP In Trust” or “HCM Ventures (VCC) Inc.”, for the total subscription price (the “Subscription Price”) [Note: if the Subscriber is investing from a registered account or a brokerage account, arrangements for the delivery of the subscription funds will be made directly between the Issuer and the relevant account administrator or broker];
- (c) two executed copies of the Risk Acknowledgement Form attached as Exhibit I to Schedule “A” **with one copy to be kept by the Subscriber;**
- (d) one executed copy of Personal Information Notification Form attached as Exhibit II to Schedule “A”; and
- (e) such other exhibits as are required based on jurisdiction of residency as set out pursuant to Section 4 - Prospectus Exemptions and Required Documentation of the Subscription Agreement.

The Subscription Agreement contains representations and warranties of the Subscriber that the Issuer and its legal counsel will be relying upon in order to determine the eligibility of the Subscriber to participate in this Offering. The Subscriber must read the Subscription Agreement in full prior to execution, and is encouraged to obtain independent legal advice. Subscriptions for the Class “A” Shares will be received subject to rejection or allotment in whole or in part in the sole discretion of the Issuer and the Issuer reserves the right to close the Subscription book at any time without notice.

The Issuer reserves the right to allot to a Subscriber a number of Class “A” Shares that are less than subscribed for by the Subscriber. Promptly after the Issuer’s acceptance or rejection of a Subscription,

confirmation of the acceptance or rejection will be delivered to the Subscriber. If the Subscription is rejected in whole, the Issuer will also return the Subscription Price. If the Subscription is accepted in part, the Issuer will deliver to the Subscriber a cheque in an amount equal to the Subscription Price for the value of the Class “A” Shares subscribed for but not accepted by the Issuer. Any Subscription payment returned to Subscribers will be without interest, penalty or deduction.

Where required pursuant to NI 45-106, when a Subscription is received by the Issuer, the Subscription Price will be held in trust for at least two (2) business days to permit the Subscriber, if the Subscriber so elects, to cancel the purchase of the subscribed for Class “A” Shares in accordance with provisions set out in Exhibit I. Thereafter, the Subscription Price is not refundable and is available to the Issuer as herein provided.

Subscriptions will be accepted from time to time at the discretion of the Issuer as Subscriptions are received up to and on the Closing Dates. Within 30 days of a closing, the Issuer will deliver, unless directed otherwise in writing by the relevant Subscribers, a certified true copy of the certificate representing the fully paid-up and non-assessable Class “A” Shares provided that the Subscription Price has been paid in full.

5.4 Exemptions from Registration Requirements

The Issuer does not consider itself to be in the business of trading securities and therefore will rely upon the registration exemption contained in Part 8.4 of NI 31-103 and the equivalent exemptions under applicable provincial securities laws.

5.5 Exemptions from Prospectus Requirements

The Issuer will rely upon the exemptions outlined under Item 5.2 - Subscription Qualification. These exemptions provide that the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue if the purchaser purchases the security as principal and provides the documentation noted for each specific prospectus exemption relied on.

The Class “A” Shares offered in this Offering may only be purchased by persons who are, or who are deemed to be (under the applicable securities legislation) purchasing as principals for their own account and not for the benefit of any other person, for the purpose of investment only and not with a view to, or for sale in connection with, any sale or distribution thereof.

This Amended and Restated Offering Memorandum replaces the Issuer’s previous Amended and Restated Offering Memorandum dated October 3, 2018. In addition to being provided to new subscribers, this Amended and Restated Offering Memorandum will be provided to certain parties that provided executed subscription documents pursuant to the Issuer’s Amended Offering Memorandum dated February 21, 2018. Such parties will be asked to execute and deliver an updated Risk Acknowledgement Form attached as Exhibit “I” to Schedule “A” of the Offering Memorandum (see Item 5.3) in order to bring their Subscriptions in to compliance with the requirements of the Offering Memorandum exemption under NI 45-106 and will be provided with the two day cancellation right described in Item 12.1 from the date that they sign the updated Risk Acknowledgement Form.

6. INCOME TAX CONSEQUENCES

6.1 General

The information in this Section 6 has been reviewed by Pushor Mitchell LLP, legal and tax counsel to the Issuer. The Issuer considers the following to be a fair summary of the principal Canadian federal income tax considerations generally relevant to Subscribers who, for the purposes of the Tax Act, are resident in Canada, deal at arm’s length with the Issuer at all relevant times and beneficially hold their Class “A” Shares as capital property. Class “A” Shares are generally considered to be held as capital property unless the Class “A” Shares are held by the Subscriber in the course of carrying on a business or as an adventure or concern in the nature of trade.

The Issuer is registered as a VCC under the SBVC Act. This summary assumes that the Issuer is, and will continue to be, qualified as a VCC under the SBVC Act.

The summary is based upon the current provisions of and the regulations to the Tax Act and the SBVC Act, all published proposals to amend the provisions of the regulations to the Tax Act and the SBVC Act to September 30, 2019 and on the published administrative practices of the Canada Revenue Agency. It is assumed that all such published proposals to amend the provisions of and the regulations to the Tax Act and the SBVC Act will be enacted substantially as currently proposed, and that there will be no other material change to any relevant law or practice, although no assurances can be given in these respects.

This summary is not exhaustive of all possible applicable income tax consequences, nor does it take into account any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from those discussed.

Pushor Mitchell LLP has reviewed and relied on certain information provided to them by management of the Issuer, and has not made any independent verification of facts.

Subscribers should consult their own professional tax advisors to obtain advice on the income tax consequences associated with acquiring, owning, and disposing of the Class “A” Shares that specifically apply to them. Income tax consequences are not a material aspect of the securities being offered and it is not anticipated that there are any material income tax consequences to the Subscriber resulting from this Offering. No application has been made, nor is it intended that any application will be made, to the Canada Revenue Agency for an advanced income tax ruling with respect to the tax consequences of acquiring or holding the Class “A” Shares.

6.2 Income Tax Considerations - Subscriber

Tax Credit

Tax Credits pursuant to the SBVC Act are outlined below under Item 6.5.

Interest Deductibility

Reasonable interest that is paid or payable pursuant to a legal obligation to pay interest on money borrowed to purchase the Class “A” Shares may be deductible by a Subscriber provided that the Class “A” Shares are purchased for the purpose of gaining or producing income from the Class “A” Shares, except to the extent that the Subscriber holds the shares in a registered retirement savings plan (a “RRSP”), a registered education savings plan (a “RESP”) or a tax-free savings account (a “TFSA”).

Disposition of Class “A” Shares

On a disposition of Class “A” Shares to a person other than the Issuer or on a deemed disposition of Class “A” Shares in a taxation year, the Subscriber will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by, respectively) the adjusted cost base to the Subscriber of those Class “A” Shares.

One-half of any such capital gain (the taxable capital gain) must be included in the Subscriber’s income. If the Class “A” Shares are held in a RRSP, a registered retirement income fund (a “RRIF”), a RESP or a TFSA, no income tax will be currently payable on any capital gain realized on a disposition or a deemed disposition of Class “A” Shares, however tax will be payable upon withdrawal from a RRSP, RRIF or RESP.

The Subscriber may, subject to certain limits, deduct one-half of any such capital loss (the allowable capital loss) from taxable capital gains realized in the year and, to the extent not so deductible, from taxable capital gains realized in any of the three preceding or any following taxation year. A capital loss may be reduced by all or a portion of tax credits received pursuant to the SBVC Act.

Redemption of Class “A” Shares

On the redemption or purchase by the Issuer of Class “A” Shares, the Subscriber will be deemed to receive a dividend to the extent, if any, that the payment by the Issuer for the Class “A” Shares exceeds the paid-up capital of the Class “A” Shares, and the balance of the payment by the Issuer will be received by the Subscriber as proceeds of disposition of the Class “A” Shares. To the extent, if any, that such proceeds of disposition exceed (or are exceeded by) the Subscriber’s adjusted cost base of the Class “A” Shares, the Subscriber will

realize a capital gain (or capital loss, respectively) that will be subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

Alternative Minimum Tax

The Tax Act provides for an alternative minimum tax applicable to individual Subscribers if their minimum amount, which is computed by reference to an adjusted taxable income amount, exceeds their tax otherwise payable. Alternative minimum tax is applied at the rate of 15% on the amount by which an individual's adjusted taxable income exceeds \$40,000, subject to certain adjustments, and may be carried forward for seven years to reduce federal tax in future years.

Capital gains realized on the disposition or deemed disposition of Class "A" Shares may result in an individual Subscriber being liable to alternative minimum tax, or increase the individual Subscriber's liability for alternative minimum tax.

Dividends

Dividends, other than capital dividends, received on Class "A" Shares will be included in computing the Subscriber's income. Individual Subscribers will be subject to the gross-up and dividend tax credit rules in the Tax Act. Corporate Subscribers may be entitled to a deduction in respect of the dividends, but may also be liable for refundable dividend tax under Part IV of the Tax Act.

Capital dividends received on Class "A" Shares will be received by the Subscriber tax-free.

If the Class "A" Shares are held in a RRSP, RRIF, RESP or TFSA, no dividend tax will be currently payable on dividends received on Class "A" Shares, however tax will be payable upon withdrawal from a RRSP, RRIF or RESP.

6.3 Eligibility for Registered Investments

Qualified Investment

The Class "A" Shares will be qualified investments for a trust governed by a RRSP, RRIF, RESP or TFSA (each a "Registered Plan") at any particular time provided that the Class "A" Shares at such particular time are not a prohibited investment for the purposes of the Tax Act.

The Class "A" Shares will be a prohibited investment for a Registered Plan of a particular Subscriber who is the annuitant of the RRSP or RRIF, subscriber of the RESP or holder of the TFSA, as the case may be, unless the shares are excluded property, at any time if:

- (a) the Subscriber does not deal at arm's length with the Issuer;
- (b) the Subscriber holds, directly or indirectly, not less than 10% of the issued shares of any class of shares of the Issuer or of any corporation that is related to the Issuer; or
- (c) the Issuer ceases to be a VCC registered under the SBVC Act.

For the purposes of determining whether an individual Subscriber holds not less than 10% of the issued shares of any class of shares of the Issuer or of any corporation that is related to the Issuer:

- (a) each Subscriber is deemed to own each share of the capital stock of the corporation owned at that time by a person with whom the Subscriber does not deal at arm's length;
- (b) subject to (d) below, each beneficiary of a trust is deemed to own that proportion of all such shares owned by the trust at that time that the fair market value at that time of the beneficial interest of the beneficiary in the trust is of the fair market value at that time of all of the beneficial interests in the trust;
- (c) each member of a partnership is deemed to own that proportion of all the shares of any class of the capital stock of the corporation that are property of the partnership at that time that the fair market value at that time of the member's interest in the partnership is of the fair market value at that time of the interests of all members in the partnership; and

- (d) a beneficiary of a discretionary trust is deemed to own all of the shares of the capital stock of the corporation owned at that time by the trust.

The Class “A” Shares will be excluded property of a Subscriber for the purposes of the Tax Act, and not a prohibited investment, if certain equity tests of the Subscriber’s holdings are met.

The above is a summary only. The detailed rules for determining whether the Class “A” Shares will be a qualified investment for a Subscriber are set out in the Tax Act. Not all Class “A” Shares are qualified investments and Subscribers should consult their own professional tax advisors to obtain advice as to whether the Class “A” Shares are qualified investments based on their own particular circumstances.

Class “A” Shares Acquired by a RRSP

An individual Subscriber that is the annuitant of a RRSP or whose spouse is the annuitant of a spousal RRSP can cause the RRSP to acquire the Class “A” Shares by making a contribution to the RRSP, subject to having sufficient RRSP deduction limit. The annuitant is entitled to the Tax Credit under the SBVC Act where the Class “A” Shares are acquired by the RRSP.

Contributions to RRSPs are deductible in accordance with the provisions of the Tax Act. An individual Subscriber may, for each year, deduct against taxable income an amount equal to the lesser of the contribution and the Subscriber’s remaining RRSP deduction limit for the year. A Subscriber’s RRSP deduction limit for a year is generally defined in the Tax Act as the Subscriber’s unused RRSP deduction room at the end of the preceding taxation year, plus the lesser of 18% of the Subscriber’s earned income for the preceding year and the RRSP dollar limit for the current taxation year, all subject to certain adjustments.

An individual Subscriber’s unused RRSP deduction room for 1991 and subsequent years can be carried forward to increase the amount of the individual Subscriber’s RRSP deduction limit, subject to adjustment, for a subsequent year. Contributions made to a RRSP on or before the day that is 60 days after December 31 can be deducted against taxable income, subject to certain limitations, for the year in which the contribution is made, or the preceding year.

Class “A” Shares Contributed to a RRSP

An individual Subscriber that has acquired Class “A” Shares from the Issuer can transfer those shares to a RRSP of which the Subscriber is the annuitant or whose spouse is the annuitant of a spousal RRSP, subject to having sufficient RRSP deduction limit. The transfer will be a contribution equal to the fair market value of the Class “A” Shares, and will be deductible in accordance with the usual rules of the Tax Act (as described above).

The determination of the fair market value of the Class “A” Shares at the time of the transfer is dependent on the facts, and subject to review and challenge by the Canada Revenue Agency. An individual Subscriber who wishes to acquire the Class “A” Shares and then transfer them to a RRSP at a later date should be aware that there is a potential risk of realizing a capital gain or capital loss as a result of doing so.

Class “A” Shares Contributed to or Acquired by a RRIF

An individual Subscriber that has acquired Class “A” Shares can transfer such Class “A” Shares to a RRIF. The transfer will be a disposition equal to the fair market value of the Class “A” Shares subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

The annuitant is entitled to the Tax Credit under the SBVC Act where the Class “A” Shares are acquired by the RRIF from the Issuer.

The Tax Act requires that a minimum percentage of the RRIF assets be withdrawn each year. If the RRIF does not hold sufficient liquid assets to meet the minimum withdrawal requirement, a portion of the Class “A” Shares may have to be withdrawn from the RRIF.

Class “A” Shares Contributed to or Acquired by a RESP

An individual Subscriber that has acquired Class “A” Shares from the Issuer can transfer those shares to a RESP of which the Subscriber is the subscriber, subject to the RESP lifetime limit. The transfer will be a contribution equal to the fair market value of the Class “A” Shares.

The determination of the fair market value of the Class “A” Shares at the time of the transfer is dependent on the facts, and subject to review and challenge by the Canada Revenue Agency. An individual Subscriber who wishes to acquire the Class “A” Shares and then transfer them to a RESP at a later date should be aware that there is a potential risk of realizing a capital gain or capital loss as a result of doing so.

The holder is not entitled to the Tax Credit under the SBVC Act where the Class “A” Shares are acquired by the RESP.

Class “A” Shares Contributed to or Acquired by a TFSA

An individual Subscriber that has acquired Class “A” Shares from the Issuer can transfer those shares to a TFSA of which the Subscriber is the holder, subject to having sufficient TFSA dollar limit and/or unused TFSA contribution room. The transfer will be a contribution equal to the fair market value of the Class “A” Shares.

The determination of the fair market value of the Class “A” Shares at the time of the transfer is dependent on the facts, and subject to review and challenge by the Canada Revenue Agency. An individual Subscriber who wishes to acquire the Class “A” Shares and then transfer them to a TFSA at a later date should be aware that there is a potential risk of realizing a capital gain or capital loss as a result of doing so.

The holder is entitled to the Tax Credit under the SBVC Act where the Class “A” Shares are acquired by the TFSA from the Issuer.

6.4 Income Tax Considerations - Issuer

The Issuer will qualify as a Canadian-controlled private corporation under the Tax Act provided that it is not controlled, directly or indirectly in any manner whatever, by one or more non-resident persons, public corporations (other than a prescribed venture capital corporation), corporations a class of the shares of the capital stock of which is listed on a designated stock exchange or any combination of the foregoing, and provided that it has not elected not to be a Canadian-controlled private corporation.

The Issuer will be required to file income tax returns for each year and pay income taxes owing under the Tax Act.

Dividends

Dividends received by the Issuer from taxable Canadian corporations will generally not be subject to income tax under Part I of the Tax Act. Provided that dividends received are an eligible investment within the meaning of the SBVC Act, the Issuer will not be subject to income tax under Part IV of the Tax Act on such dividends.

Capital Gains and Losses

Gains or losses realized by the Issuer on the disposition of its investments will generally be treated as capital gains or losses, subject to the usual rules of the Tax Act applicable to capital gains or losses (as described above).

Interest and Investment Income

Interest and investment income, other than dividends received on shares of taxable Canadian corporations, will be included in computing the Issuer’s income for a year.

To the extent that dividends are paid by the Issuer, the Issuer will be entitled to a refund of a portion of income tax paid on certain income of the Issuer, including interest and investment income, calculated in accordance with the Tax Act.

6.5 Tax Credit Pursuant to SBVC Act

The Issuer will apply on behalf of each Subscriber who is an individual resident in British Columbia at the date they invest in the Class “A” Shares or a corporation with a permanent establishment in British Columbia, or on behalf of an annuitant where the Subscriber is a RRSP or RRIF, or a holder where the Subscriber is a TFSA, for a tax credit certificate entitling the Subscriber or annuitant/holder to a tax credit equal to 30% of the amount received by the Issuer from the Subscriber for the purchase of the Class “A” Shares. For individuals to be eligible to obtain a tax credit, their investment must be made within a calendar year or within 60 days of the

following year. Tax credit certificates may only be issued if the Issuer complies with the requirements and intent of the SBVC Act. The Issuer currently is in compliance with the SBVC Act and intends to continue to remain in compliance.

A Subscriber who is an individual investor must deduct the lesser of his or her tax credit or \$120,000, against tax otherwise payable under the BC Tax Act for that taxation year. To the extent that the tax credit of the individual exceeds the amount of provincial tax payable, the individual will be entitled to a refund of the difference between the lesser of \$120,000 or his or her tax credit and the tax otherwise payable, after deducting certain other credits available under the BC Tax Act.

In administering the refund process, the refund must first apply to offset other amounts payable, including arrears under both the Tax Act and the BC Tax Act. If an individual has a tax credit in excess of \$120,000, the excess may be carried forward and used, subject to the \$120,000 annual limit, in any of the four subsequent taxation years. Note that an individual shareholder may claim a tax credit for the prior taxation year if an investment in shares of a VCC is made within the first 60 days of that year.

If an individual Subscriber resides in British Columbia at the date of the investment for Class “A” Shares but resides outside of the province at the end of the year, this may affect the Subscriber’s ability to claim the tax credit. Individual Subscribers who plan to move outside of British Columbia before year-end are urged to consult with their professional advisors about their eligibility to claim the tax credit.

A Subscriber that is a corporation must deduct the tax credit earned in the taxation year from tax otherwise payable by the Subscriber under the BC Tax Act; there is no annual limit on the tax credit for corporations. A corporation is not entitled to a refund in respect of a taxation year if the amount of the tax credit exceeds the amount of its tax otherwise payable under the BC Tax Act for the taxation year.

A tax credit not so utilized by a corporation may be carried forward for up to four subsequent taxation years and may be utilized to the extent that there is tax otherwise payable under the BC Tax Act for the taxation year.

Equity Capital Authorization

Before a VCC such as the Issuer can raise equity capital and issue shares it must have an authorization from the Equity Capital Program to do so. All authorizations granted to VCC’s are specific both with respect to the maximum amount of capital the VCC can raise and with respect to the length of time in which this raising of funds can occur. Effective on April 5, 2019, the Issuer was granted an authorization for the 2019 taxation year allowing it to raise capital of up to \$2,219,495 on or before December 31, 2019. The Issuer may apply for further additional equity authorizations to raise additional amounts and for an additional period of time ending on March 2, 2020. The Issuer intends to process Subscriptions and the associated share purchase reports in respect of the associated tax credits on a rolling basis and to apply for authorization to raise additional equity capital as and when it appears that the Issuer will exceed its then current additional equity authorization. The Issuer also anticipates that it will apply for authorization to raise additional equity capital during the first sixty days of 2020. **There can be no assurance that the Issuer’s applications for authorizations to raise additional equity capital will be approved and, accordingly, the Issuer intends to process Subscriptions and file the associated share purchase reports for the associated tax credits in the order in which the associated Subscription funds are received.**

It should be noted that the total amount of venture capital tax credits that may be issued each year to investors is limited by Section 29.1 of the SBVC Act and Section 21 of the SBVC Regulations. When the venture capital tax credit budget is reached, the Issuer’s equity authorization will be suspended, and further investments in Class “A” Shares will not qualify for tax credits under the SBVC Act.

No tax credits will be issued to Subscribers who purchase shares in a VCC that does not have a valid authorization to raise equity capital or where the authorization has expired or is suspended prior to the Subscriber’s purchase of the Class “A” Shares.

Term of the Investment

Under the SBVC Act, the Issuer is required to have at least 40% of its raised equity capital invested in eligible small businesses by the end of its next fiscal year and 80% within the second fiscal year following the year in which the equity capital was raised. The Issuer must also have a minimum of 80% of its raised equity capital invested in one or more eligible small businesses for an aggregate of 5 years.

Should the Issuer divest itself of an “eligible investment” prior to the expiration of the statutory 5-year period and fall below the minimum investment level requirements, the Issuer must reinvest additional funds into another “eligible investment” for the remainder of the 5-year period or it may face the possibility of program suspension and repayment of tax credits. As the Issuer anticipates that certain of its prospective investee EBCs and ESBs may pursue a liquidity event prior to the expiry of the 5-year period, the Issuer intends to seek additional prospective EBC and ESB investment opportunities on an ongoing basis.

Consequences of Non-Compliance

There are a variety of situations that can arise to cause a VCC to not be in compliance with the SBVC Act. The result of a failure to comply with the legislation varies depending upon the particular nature of the non-compliance but essentially the Administrator can require any non-complying VCC to either rectify the circumstances of non-compliance or to pay back the tax credits previously issued to its shareholders. In some circumstances, the directors, officers or major shareholders of a VCC, or an eligible small business, may be held jointly liable to repay tax credits to the province.

Fees and Remuneration

The Issuer, pursuant to its corporate articles, may not pay any fees or remuneration to any director or officer or shareholder of the Issuer, or to any “affiliate” or “associate” (as those terms are defined in the SBVC Act) of those persons except as permitted by “special resolution” (as defined in the SBVC Regulations) voted upon at least annually.

7. OFFERING MEMORANDUM MARKETING MATERIALS

The Issuer and/or one or more Finders or Exempt Market Dealers have distributed the following written communications intended for prospective purchasers regarding the distribution of the Class “A” Shares under this Offering Memorandum which contain material facts relating to the Issuer, the Class “A” Shares or the Offering:

- Executive Summary
- PowerPoint Presentation of RFG

8. COMPENSATION PAID TO SELLERS AND FINDERS

The Issuer plans to retain several non-exclusive securities dealers to assist with effecting sales of Class “A” Shares. The Issuer may compensate securities dealers with a commission of up to 9% of the gross proceeds realized on the sale of the Class “A” Shares for soliciting, or assisting with effecting, sales of Class “A” Shares. In addition to the foregoing, the Issuer may pay an administration fee of up to 1% of the gross proceeds realized on the sale of Class “A” Shares for administration costs incurred by the securities dealers associated with such activities.

The aggregate commission payable to such securities dealers will be up to \$450,000 in the case of the maximum Offering (there is no minimum Offering). The aggregate administration fees payable to such securities dealers will be up to \$50,000 in the case of the maximum Offering (there is no minimum Offering). To date, the Issuer has paid an aggregate commission of \$245,227.00 and an aggregate administration fee of \$27,247.45 to securities dealers in connection with completed investments in the Offering. The Issuer may also incur other marketing, administration and other professional services expenses in connection with the Offering. See Item 1.1 – Use of Net Proceeds.

9. RISK FACTORS

Purchase of Class “A” Shares pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Class “A” Shares at this time involves a number of risks. If any of these risks materialize, or if others materialize, then the Issuer’s business, operating results and financial condition could be seriously harmed and investors could lose some or all of their investment. In addition to the risk factors discussed elsewhere in this Offering Memorandum, investors should carefully consider the following risks associated with an investment in the Class “A” Shares. An investment in Class “A” Shares is appropriate only for investors who are prepared to invest money at least until after the 5th anniversary of the date of the last investment of the Issuer in any EBC or ESB shares and who have the capacity to absorb a loss of some or all of their investment.

9.1 Investment Risks

Investment in the Class “A” Shares is Speculative - An investment in the Class “A” Shares under this Offering is highly speculative. You should buy them only if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in your investment. You should review the Offering Memorandum in its entirety. An investment in the Class “A” Shares should not constitute a major portion of your investment portfolio and is suitable for you only if you have sufficient income and funds such that any loss of the investment you are considering making into the Issuer will not have a material negative impact to your financial standing. You should consult with your own independent professional legal, tax investment and financial advisors, to assess, prior to purchasing the Class “A” Shares, the appropriateness of the Issuer’s Class “A” Shares in relation to your financial and investment objectives and circumstances, and in relation to the tax consequences of the Class “A” Shares.

Less than Maximum Offering – There can be no assurance that this Offering will be completely sold out. If less than all of the Class “A” Shares are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Issuer and, consequently, its business development plans and prospects, as well as those of any identified EBCs and ESBs, could be adversely affected. The Offering is not subject to any minimum subscription level.

No Market for the Class “A” Shares - An investment in the Class “A” Shares is an illiquid investment. There is currently no market through which the Class “A” Shares may be sold. The Offering price for the Class “A” Shares has been arbitrarily determined and set by the Issuer. The Issuer is not a “reporting issuer” in any jurisdiction, and a prospectus has not qualified the issuance of the Class “A” Shares. Accordingly, investors will be unable to sell the Class “A” Shares of the Issuer, subject to certain limited exceptions. **See Item 11 – Resale Restrictions.** Investors will have no right to redeem the Class “A” Shares. Purchasers should be prepared to hold the Class “A” Shares indefinitely and cannot expect to be able to liquidate their investment even in an emergency. Accordingly, an investment in the Class “A” Shares is suitable only for investors who are able to make and bear the economic risk of a long-term investment.

Restrictions on Transfer - The Class “A” Shares are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Class “A” Shares unless you comply with an exemption from the prospectus and registration requirements under securities legislation. **See Item 11 – Resale Restrictions.**

No Regulatory Review - Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

Tax Risks – Investors should carefully consider and obtain appropriate professional advice in respect of the Canadian federal and provincial tax consequences of an investment in the Shares. **See Item 6 – Income Tax Consequences.** The discussions of the income tax consequences of an investment in the Class “A” Shares

contained in this Offering Memorandum are for general information purposes only and are not intended to be a complete analysis or discussion of all possible tax consideration that may be relevant to an investment in the Class “A” Shares. Prospective investors are urged to consult with their own professional advisors concerning their specific circumstances prior to investing in the Class “A” Shares.

Valuation of Class “A” Shares is Uncertain - The Issuer has determined the price of its Class “A” Shares arbitrarily. As this is a new corporation, the price bears no relationship to earnings, net asset value or other criteria. The Issuer cannot offer any assurances that it will be able to raise capital at any price, including any progressively higher price per Class “A” Share. The shares of the EBCs and ESBs in which the Issuer invests will generally be illiquid and, as a result, it may be difficult or impossible to determine the value of such shares or the shares of the Issuer at any given point in time

9.2 Issuer Risks

Voluntary Disclosure Concerning Prior Non-Compliant Securities Transactions – The Issuer has prepared an Amended and Restated Offering Memorandum dated September 27, 2018 as a non-offering document for delivery to certain parties that provided executed subscription documents after June 27, 2018 under the Issuer’s previous Amended Offering Memorandum dated February 21, 2018. Such parties will be asked to execute and deliver an updated Risk Acknowledgement Form substantially in the form attached as Exhibit “I” to Schedule “A” of the Offering Memorandum (see Item 5.3) in order to bring their Subscriptions in to compliance with the requirements of the Offering Memorandum exemption under NI 45-106 and will be provided with the two day cancellation right described in Item 12.1 from the date that they sign the updated Risk Acknowledgement Form. The Issuer will return the corresponding Subscription funds in respect of any Subscriptions for which such two day cancellation right may be exercised. Upon completion of the delivery of the non-offering Amended and Restated Offering Memorandum dated September 27, 2018 to all such parties and the exercise or expiry of all corresponding two day cancellation rights as described in Item 12.1, the Issuer intends to submit a voluntary disclosure to the applicable securities regulators in respect of the corresponding subscription documents that were provided after June 27, 2018 under the Issuer’s previous Amended Offering Memorandum dated February 21, 2018, and accepted by the Issuer between August 3, 2018 and August 10, 2018, which resulted in a distribution of securities that was not in compliance with the requirements of the Offering Memorandum exemption in NI 45-106. There can be no assurance that the Issuer’s voluntary disclosure will be accepted by the applicable securities regulators or that the submission of the voluntary disclosure by the Issuer will not result in any penalty, sanction or other enforcement proceedings against the Issuer or its directors, officers and/or promoters which could include, without limitation, administrative penalties, fines, costs, market prohibitions and/or a cease trade order.

Speculative Nature of Venture Capital - The purchase of the Class “A” Shares is suitable for you only if you are aware of the inherent risks of venture capital and the early stage companies, have the ability and willingness to accept the risk of total loss of your invested capital and have no immediate need for liquidity. The Issuer cannot assure you of any return of, or on, your investment in the Class “A” Shares.

Limited Operating History - The Issuer is a recently incorporated entity whose initial activities have been limited to identifying potential EBCs and ESBs in which to invest net proceeds raised from this Offering - please refer to Item 2.2 - The Issuer’s Business. The Issuer has very little operating history, no history of income and no assets. The Issuer is not certain that it will be able to successfully complete its financing under this Offering thus limiting its ability to implement its investment strategy and operate profitably over the short or long term. The Issuer’s directors and management company, RFG, have limited experience in managing a VCC.

Limited Assets – The equity purchased in the EBCs and ESBs are expected to represent the only major assets of the Issuer (other than cash on hand). The Issuer’s financial performance is directly tied to the value of the equity in the EBCs and ESBs that it will acquire. The Issuer does not have a large portfolio of diverse assets.

Reliance on RFG - The operating success of the Issuer will be dependent upon the performance by RFG of its duties under the Management and Office Services Agreement with the Issuer. There can be no assurance that RFG will consistently perform its obligations in a timely and effective manner, or in a manner that will be positive for the Issuer.

Conflicts of Interest – The directors and officers will not be devoting all of their time to the affairs of the Issuer, but will be devoting such time as required to effectively manage the Issuer. The directors and officers of the Issuer are engaged in, and will continue to be engaged in, other business interests on behalf of themselves, respectively, and/or on behalf of others, including other VCCs. Similarly, RFG will not be devoting all of its time to the affairs of the Issuer, but will be devoting such time as required to perform its duties under the Management and Office Services Agreement with the Issuer. RFG is engaged in, and will continue to be engaged in, other business interests on its own behalf and/or on behalf of others, including other VCCs.

Reliance on Third Parties – The operating success of the Issuer will be dependent upon the EBCs and ESBs that it invests in and such other third parties that the EBCs and ESBs are engaged with. There can be no assurance that these EBCs and ESBs or third parties will perform their various obligations in a timely or effective manner, or in manner that will be positive for the Issuer.

Ability to Manage Growth - Managing the growth of a rapidly growing startup company is difficult. The Issuer may not be able to execute on areas of its plan that are critical to the Issuer's success. There may be flaws in the Issuer's investment strategy and the funds necessary to finance the Issuer's investment strategy may not materialize, or the Issuer may expend its capital before a cash positive operation is achieved.

Use of Proceeds - The use of proceeds and the dollar amounts of each item in this Offering Memorandum are estimates only. The actual use will vary from the estimates and such variation may be significant. Any negative variation may leave the Issuer and any EBC or ESB short of capital and such shortage may cause the Issuer and any EBC's or ESB's business, to fail or require additional funds at uncompetitive or uneconomic price, and you may not receive any return or repayment of your investment.

Uninsured Losses – The Issuer will generally require EBCs and ESBs to arrange for comprehensive insurance, including products liability insurance and general commercial liability insurance. There can be no assurance that such insurance coverage will be adequate or sufficient to protect against all potential risks of loss. Any uninsured loss experienced by an EBC or ESB could have a material adverse effect on the Issuer and/or its investment in the EBC or ESB.

Lack of Separate Counsel - The legal counsel of the Issuer is also the legal counsel of RFG. Separate counsel has not represented the Subscribers, as a group, and the Issuer's counsel does not act for them or you and has not conducted any investigation or review on their or your behalf.

Reliance of Registration Exemption - The Issuer does not consider itself to be in the business of trading securities and therefore will rely upon the registration exemption contained in Part 8.4 of NI 31-103 and the equivalent exemptions under applicable provincial securities laws. In the event that the Issuer is deemed to be in the business of trading securities, it will rely on the exemption contained in British Columbia Instrument 32-513 "Registration exemption for trades in connection with certain prospectus-exempt distributions" and equivalent exemptions as adopted in Alberta, Manitoba and the Territories to the extent available. In the event that one or more applicable securities regulators determines that the business activities of the Issuer require registration under one or more categories of registration under NI 31-103, it may become necessary for the Issuer to engage additional services from a registrant (such as an exempt market dealer) or to seek registration or a discretionary exemption from registration, which will involve additional administrative time and expense, and it may also become necessary for the Issuer to suspend certain of its business activities in the interim.

9.3 Industry Risks

Realizing a Return on the Issuer's Investments - Investors should understand that the Issuer's investment objectives will only be realized, if at all, over the long term. Since the Issuer will be acquiring equity securities, such as common shares, of EBCs and ESBs which are private companies, the Issuer does not expect to realize on an individual investment until such time as the EBC or ESB is either sold or becomes publicly traded. Since the Issuer will not have the ability to control the sale or public listing of any EBCs or ESBs, the Issuer will not have the ability to create a liquidity event for its investments. As such, the investments the Issuer makes will, in many cases, be illiquid and should be viewed by Subscribers as long-term investments. In addition, Subscribers should be aware that investing in early stage companies is a high-risk venture and there is no guarantee that the Issuer will realize gains on its investments.

Portfolio Company Risk - The Issuer's ability to pay dividends or make distributions, is entirely dependent on the success of the Issuer's investments in EBCs and ESBs, which is by no means assured. The Issuer's investee EBCs and ESBs will be in the early stage and generally will have a limited history of operations, nominal assets and nominal revenues, if any. There can be no assurance that any EBC or ESB will be able to successfully complete its development plan or sustain operations over the short term or an extended period.

Future Operations and Need for Additional Funds - The Issuer's investee EBCs and ESBs may require significant amounts of capital and financing to fund their planned development and operations. Additional financing in excess of that available from the Issuer may be required to complete the financing requirements of the EBCs and ESBs. In addition, certain non-anticipated events such as cost over-runs, unanticipated liabilities, delayed regulatory approval, or other factors may occur which require the EBCs and ESBs to obtain additional financing over and above the amounts anticipated at the time of an investment by the Issuer. Amongst other effects, this may result in a significant dilution of the Issuer's investment in such EBCs and ESBs.

There is a significant risk that the EBCs and ESBs may be unable to raise sufficient funds by way of other financings and accordingly may have insufficient funds available to implement their business plans. This may result in the failure of an EBC or ESB and losses for the Issuer.

The EBCs and ESBs likely will not, if they are unable to obtain additional funds, have sufficient funds to meet their costs of development. In such situations companies may be insolvent, as they may not be able to meet their financial obligations as they fall due, and the Issuer may lose all of its invested capital. There can be no assurance that any EBC or ESB will obtain required funding.

Issuer, Economic, Market and Political Risk - Venture capital, life sciences and technology industry markets are sensitive to any general downturn or correction in the world equity markets and the overall economy of North America and other regions. Substantial adverse stock market, economic or political conditions may have a negative impact on the Issuer's ability to raise funds, by this or future offerings, and to profitably invest the funds into one or more EBCs or ESBs. Similarly, one or more of the same adverse conditions, including the possibility of the life sciences and/or technology sectors, or any relevant subsectors, falling out of favour with the capital markets, may have a negative impact of the profitability, viability or liquidity of the business and market of the EBCs and ESBs in which the Issuer invests.

Investment Strategy - There exists the risk that the Issuer's intended investment guidelines and business strategy may not succeed and/or may not be fully met, depending on the Issuer's success in raising funds pursuant to this Offering and depending on the Issuer's ability to find suitable EBCs and ESBs that meet all the Issuer's investment guidelines. The Issuer believes that its access to quality investment opportunities will be determined, to some extent, by the amount of funds raised by the Issuer. The Issuer will have difficulty finding high quality opportunities (and negotiating acceptable investment terms) if it is unable to raise sufficient funds under this Offering. This may have a material adverse effect on the performance of the Issuer.

There is a risk that some or all of the investment guidelines may not be satisfied in any investment made by the Issuer. The Issuer will seek investment opportunities that, at the time the investment are made, seem to offer the best risk/reward opportunity. This may or may not be achieved. The effect of investing in EBCs or ESBs which are not in compliance with the investment guidelines cannot be accurately predicted but may have a material adverse effect on the return of any investment in Class "A" Shares. The Issuer cannot assure the profitability or viability of any EBC or ESB in which the Issuer invests and there is a significant risk that the EBCs and ESBs will incur operating losses.

Deal Flow - The Issuer has access to a pipeline of investment opportunities through RFG and both RFG and the directors of the Issuer have established relationships with local incubators, accelerators, other investors and funders and other intermediaries. Notwithstanding these factors, identifying and attracting high quality EBCs and ESBs with growth potential can be very competitive and challenging. There is a risk that the Issuer may not be able to identify and attract deals that are suitable for the Issuer and its objectives.

VCC Investment Requirements - The SBVC Act requires that the Issuer have at least 40% of its equity capital invested in EBCs and ESBs by the end of its first fiscal year following the fiscal year in which the equity capital was raised, and at least 80% of its equity capital investment in EBCs and ESBs by the end of the second fiscal year in which the equity capital was raised. As at the date of this Offering Memorandum, the Issuer has made two investments in ESBs in the aggregate amount of \$710,000.

There is the risk that the Issuer may not find any additional suitable EBCs or ESBs in which to invest, or be able to enter into investment agreements on favourable terms with a sufficient number of EBCs and ESBs. The Issuer may incur penalties or other sanctions as a result of non-compliance with the SBVC Act.

Early-stage Ventures - The Issuer will be investing in early-stage ventures with limited or no track record. Some EBCs may have little or no revenues or have inconsistent revenues, some may still be developing a customer base or be in the process of launching new products and/or services.

There is the risk that some of the Issuer's investee EBCs and ESBs will not be able to develop strong revenues or will not be successful at launching their products or services or growing their business.

New Technologies - The Issuer expects that a significant proportion of the EBCs and ESBs in which it invests will have a new technology or invention or will utilize a technology platform in connection with its products or services. Accordingly, there is a risk that the new technology, invention or platform will not be viable. The inability of an EBC or ESB to commercialize its technology or create or develop a commercially viable product and/or service would likely have a material adverse effect on the Issuer's investment returns. Additionally, although some of the EBCs and ESBs may already have a commercially successful product, service or product line at the time the Issuer invests, technology products and services often have a more limited market or life span than products in other industries. Accordingly, the success of the EBCs and ESBs may depend on their ability to continually innovate in increasingly competitive markets. Technology companies traditionally experience higher than average employee turnover and the success of these companies will partly depend on their ability to attract and retain qualified personnel. The success of the EBCs and ESBs will partly depend on their ability to protect their intellectual property rights and there can be no assurance that they will be able to do so.

Accuracy of Information - Through the due diligence process, potential investee EBCs and ESBs will be required to provide substantial information for RFG and the directors of the Issuer to evaluate. This includes information about the prospective investee EBC's or ESB's business model, strategy, financial projections, commercial and operating assumptions and data, assumptions about market sizing and the competitive landscape, and background on the EBC's or ESB's management team. A large proportion of the information provided will be budgets, forecasts, projections and assumptions. There is a risk that the information may not be accurate.

9.4 Regulatory and Tax Risks

Government Regulation/Administrative Practices - There can be no assurance that the laws, regulations, policies or current administrative practices of any government body, or regulatory agency in British Columbia, or any other jurisdiction or country in which any EBC's or ESB's products or services may be produced or marketed, will not be changed, applied or interpreted in a manner which will fundamentally alter the ability of the EBC or ESB to research or develop its products or services or to have its products or services approved by the applicable regulatory authorities.

Equity Capital Program - There can be no assurance that the Equity Capital Program, operating under the SBVC Act, will continue to operate or continue to provide a 30% Tax Credit to the Subscribers under this Offering. The Issuer will only be able to obtain the 30% Tax Credit for Subscribers if it complies with both the technical requirements and the spirit and intent of the SBVC Act and there is no guarantee that the Issuer will be able to comply with these requirements in the future.

The Province of British Columbia does not guarantee the value of any of the Class "A" Shares nor does it express an opinion about the Issuer's financial condition, the merits of an investment in the Class "A" Shares, or the merits of the Issuer's investments in any EBC or ESB.

Equity Allocation - The Issuer currently has an equity allocation of \$2,219,495 until December 31, 2019. If the Issuer is not able to complete this Offering by that date, there can be no assurance that an extension will be granted under the SBVC Act. Further, there can be no assurance that an additional equity authorization will be granted to the Issuer beyond the current \$2,219,495 equity authorization. There can be no assurance that, even with the continuation of the Equity Capital Program, the Issuer will have sufficient equity authorization to provide Tax Credits on the payment of any Subscriptions past December 31, 2019 or in excess of the equity authorization received by the Issuer. All equity authorizations are subject to being withdrawn at any time with limited notice to the Issuer. If the Issuer's equity authorization is withdrawn before the required share purchase report has been filed for the relevant Subscriber, the Subscriber may not be eligible to receive the corresponding Tax Credit.

Tax Credit Repayment/Non-Compliance with SBVC Act - The SBVC Act stipulates that in certain circumstances, a VCC, its directors, officers or shareholders may be liable to repay all or a part of the Tax Credits received by Subscribers to the Province of British Columbia where there is non-compliance with the SBVC Act. The result of a failure to comply with the SBVC Act varies depending upon the particular nature of the non-compliance. However, among other things, a non-complying VCC may be required to either rectify the circumstances of non-compliance or to pay back the Tax Credits previously issued to its shareholders.

Generally, a VCC will be required to repay to the Province of British Columbia 30% of any amount paid to directly or indirectly acquire its own shares. A VCC will also be required to repay to the Province of British Columbia all Tax Credits issued to its shareholders if it has its registration cancelled, dissolves or otherwise winds up its affairs.

A director, officer or controlling shareholder of a VCC who authorized, permitted or acquiesced in a transaction, event, or series of transactions or events that such person knew or ought to have known, at the time of the authorization, permission or acquiescence, would render the corporation liable for the repayment of the Tax Credits, will be held liable to repay the Tax Credits to the Province of British Columbia.

Where, on the basis of information supplied by a director, officer or shareholder of a VCC, a Tax Credit certificate has been issued and that information is false or misleading and the director, officer or shareholder knew, or ought to have known, that it was false or misleading, the director, officer or shareholder who supplied it is liable to repay the Province of British Columbia the amount of the Tax Credit.

Tax Related Risks - There can be no assurance that income tax laws or administrative practices will not be changed in a manner which will fundamentally alter the tax consequences to a Subscriber of holding or disposing of Class “A” Shares, or that any proposed tax legislation will be enacted as currently proposed.

The Tax Act contains a number of broadly worded anti-avoidance provisions, which may affect the availability of tax deductions. A Subscriber may be adversely affected by a disagreement with the CRA with respect to certain tax consequences of an investment in the Issuer’s Class “A” Shares or the contribution of such Class “A” Shares to a RRSP, RRIF or other registered account.

RRSP Contribution Level - There can be no assurance that upon a contribution of Class “A” Shares to a RRSP, RRIF, RESP, TFSA or other registered account, the value of the Class “A” Shares will equal the Subscriber’s original cost or that the Subscriber will have sufficient contribution room.

10. REPORTING OBLIGATIONS

The Issuer is not a “reporting issuer” under applicable securities legislation, nor will it become a reporting issuer following the completion of the Offering. Consequently, other than as noted below, the Issuer is not required to provide continuous disclosure documents or follow the continuous disclosure requirements of applicable securities legislation.

However, pursuant to the *Business Corporations Act* (British Columbia) under which the Issuer is governed, the Issuer is required to annually hold a shareholder meeting and to deliver audited financial statements, unless such audit is waived unanimously by the shareholders.

Should the Issuer need to rely on the Offering Memorandum Exemption for residents in any one of Alberta, New Brunswick, Ontario, Saskatchewan or Québec, it will be required, no later than 120 days after its fiscal year end, to file with the Alberta Securities Commission and deliver to the New Brunswick Securities Commission, Ontario Securities Commission, Saskatchewan Financial Services Commission and Autorité des marchés financiers, its audited annual financial statements along with a notice disclosing the use of the aggregate gross proceeds from this Offering, in addition to making such audited annual financial statements and notice disclosing the use of the aggregate gross proceeds from this Offering, available to its shareholders in such provinces, including Nova Scotia.

As well, for Subscribers resident in New Brunswick, Nova Scotia and Ontario who rely on the Offering Memorandum Exemption, the Issuer will also be required to provide them with notice, within 10 days of the occurrence of any of the following events:

- (i) a discontinuation of the Issuer’s business;
- (ii) a change in the Issuer’s industry; or
- (iii) a change of control of the Issuer.

11. RESALE RESTRICTIONS

The Class “A” Shares will be subject to a number of resale restrictions, including a restriction on trading under NI 45-102. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under the applicable securities legislation you cannot trade the Class “A” Shares before four (4) months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada. This rule does not apply in so-called “open systems” jurisdictions, including Manitoba, New Brunswick and the Yukon Territory. Those jurisdictions do not impose restrictions on first trades in securities distributed under an exemption from the prospectus requirement in those jurisdictions unless the trade is a distribution from a control block.

The Issuer is not a reporting issuer in any jurisdiction. There is no assurance that the Issuer will ever become a reporting issuer in any jurisdiction. Therefore, **the Class “A” Shares purchased hereunder may be subject to an indefinite hold period.**

12. PURCHASER’S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

12.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities. If you provided executed subscription documents after June 27, 2018 under the Issuer’s previous Amended Offering Memorandum dated February 21, 2018, you will be asked to execute and deliver an updated Risk Acknowledgement Form attached as Exhibit “I” to Schedule “A” of the Offering Memorandum (see Item 5.3) and you will be permitted to cancel your agreement to purchase these securities by sending a notice to us by midnight on the 2nd business day after you sign the updated Risk Acknowledgement Form.

12.2 Contractual Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Issuer:

- (a) to cancel your agreement to buy these Class “A” Shares; or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your Class “A” Shares and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the Class “A” Shares resulting from the misrepresentation. The Issuer has a defense if it proves that you had knowledge of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the contractual rights of action described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within one hundred eighty (180) days after you signed the agreement to purchase the Class “A” Shares. You must commence your action for damages within the earlier of one hundred eighty (180) days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the Class “A” Shares.

12.3 Statutory Rights of Action in the Event of a Misrepresentation

For Subscribers Resident in Alberta, British Columbia, Nova Scotia Newfoundland and Labrador

Securities legislation in British Columbia and Alberta provides that every purchase of Class “A” Shares pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages or rescission, or both, against the Issuer if this Offering Memorandum or any amendment thereto contains a misrepresentation.

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Issuer:

- (a) to cancel your agreement to purchase the Class “A” Shares; or
- (b) for damages against:
 - (i) HCM Ventures (VCC) Inc.;
 - (ii) every director of HCM Ventures (VCC) Inc.; and
 - (iii) every person or company who signs this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that they prove do not represent the depreciation in value of the Class “A” Shares as a result of the misrepresentations relied on and in no case shall the amount recoverable exceed the price at which the Class “A” Shares were offered.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days from the day of entering the agreement. The current statutory limitation provides that a subscriber must bring an action for damages within the following time within the earlier of:

- 180 days from the day that you first had knowledge of the facts giving rise to the cause of action; and
- three (3) years from the day of entering the agreement that gave rise to the cause of action.

For Subscribers Resident in Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Issuer:

- (a) to cancel your agreement to purchase the Class “A” Shares; or
- (b) for damages against the Issuer;

This statutory right to sue is available to you whether or not you relied on the misrepresentation.

However, in an action for damages, the amount you may recover will not exceed the price that you paid for your Class “A” Shares and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the Class “A” Shares resulting from the misrepresentation. The Issuer has a defense if it proves that you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the Class “A” Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the Class “A” Shares.

For Subscribers Resident in New Brunswick

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

- (a) the Issuer to cancel your agreement to purchase the Class “A” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days from the day of entering the agreement. You must commence the action for damages within the earlier of:

- one (1) year after learning of the misrepresentation; and
- six (6) years from the date of the Corporation having accepted your Subscription to purchase the Class “A” Shares.

For Subscribers Resident in Northwest Territories, Nunavut, Prince Edward Island and the Yukon

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

- (a) the Issuer to cancel your agreement to purchase the Class “A” Shares; or

- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every director of the Issuer as at the date of this Offering Memorandum, and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within three (3) years of signing the agreement to buy the Class “A” Shares. You must commence the action for damages within three (3) years after learning of the misrepresentation.

For Subscribers in Ontario

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

- (a) the Issuer to cancel your agreement to purchase the Class “A” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days of signing the agreement to buy the Class “A” Shares. You must commence the action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years from the date of the Issuer having accepted your Subscription to purchase the Class “A” Shares.

For Subscribers in Québec

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

- (a) the Issuer to cancel your agreement to purchase the Class “A” Shares; or
- (b) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every officer and director of the Issuer, every person or company who signed this Offering Memorandum, every expert whose opinion containing a misrepresentation was filed respecting this Offering Memorandum, and every person or company that sold securities on behalf of the Corporation or selling security holder under this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within three (3) years of signing the agreement to buy the Class “A” Shares. You must commence the action for damages within three (3) years after learning of the misrepresentation.

For Subscribers in Saskatchewan

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

- (c) the Issuer to cancel your agreement to purchase the Class “A” Shares; or
- (d) for damages against the Issuer and a selling security holder on whose behalf the distribution was made, every promoter and director of the Issuer or the selling security holder at the time this Offering Memorandum was sent or delivered, every person or company whose consent was

filed respecting this Offering Memorandum, and every person or company that sold securities on behalf of the Corporation or selling security holder under this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Class “A” Shares.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days from the day of entering the agreement. You must commence the action for damages within the earlier of:

- one (1) year after learning of the misrepresentation; and
- six (6) years from the date of the Corporation having accepted your Subscription to purchase the Class “A” Shares.

General

The rights discussed above are in addition to and without derogation from any other rights the subscriber may have at law. The securities laws of the Provinces and Territories of Canada are complex. References should be made to the complete text of such provisions summarized above relating to the statutory rights of action. Investors should consult their own legal advisors with respect to their rights and remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which investors may have at law.

ANY PERSON CONSIDERING AN INVESTMENT IN THE ISSUER SHOULD CONSULT ITS OWN ADVISORS IN ORDER TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE ISSUER WITH RESPECT TO SUCH PERSON’S PARTICULAR SITUATION.

This Offering Memorandum and all Offering Memorandum Marketing Materials are being prepared and delivered in the English language only, which language shall be controlling in all respects, and any versions in any other language shall not be binding on the parties. All communications and notices to be made or given pursuant to this Offering Memorandum shall be in the English language. It is the express wish of the parties receiving this Offering Memorandum that this Offering Memorandum and any related documents be drawn up and executed in the English language. Il est la volonté expresse des parties recevant cette notice d'offre que cette notice d'offre et tous les documents connexes soient élaborés et exécutés dans la langue anglaise.

13. FINANCIAL STATEMENTS OF ISSUER

HCM VENTURES (VCC) INC.

**AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED FEBRUARY 28, 2019**

**UNAUDITED FINANCIAL STATEMENTS FOR THE
SIX MONTH PERIOD ENDING AUGUST 31, 2019**

HCM Ventures (VCC) Inc.
Financial Statements
For the Year Ended February 28, 2019

HCM Ventures (VCC) Inc.
Financial Statements
For the Year Ended February 28, 2019

Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Comprehensive Loss	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 19



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BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC, V1Y 0B5

Independent Auditor's Report

To the shareholders of HCM Ventures (VCC) Inc.

Opinion

We have audited the financial statements of HCM Ventures (VCC) Inc. (the "Company"), which comprise the statement of financial position as at Company, and the statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at Company, and its results of operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance 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.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

BDO Canada LLP

Chartered Professional Accountants
Kelowna, British Columbia
August 19, 2019


HCM Ventures (VCC) Inc. Statement of Financial Position

February 28	2019	2018
Assets		
Current		
Cash	\$ 1,888,066	\$ 47,915
Due from shareholders	-	186,625
Prepaid expenses	5,000	5,000
Due from related parties (Note 3)	46,371	40,508
	<u>1,939,437</u>	<u>280,048</u>
Equipment (Note 4)	3,865	654
Deferred tax asset (Note 5)	180,866	-
	<u>\$ 2,124,168</u>	<u>\$ 280,702</u>

Liabilities and Shareholder's Equity

Current		
Accounts payable and accrued liabilities	\$ 28,830	\$ 9,577
Due to shareholder	2,503	-
	<u>31,333</u>	<u>9,577</u>
Shareholder's Equity		
Share capital (Note 6)	2,286,783	347,381
Deficit	(193,948)	(76,256)
	<u>2,092,835</u>	<u>271,125</u>
	<u>\$ 2,124,168</u>	<u>\$ 280,702</u>

On behalf of the Board:

DocuSigned by:

 6290E6302081462... Director

HCM Ventures (VCC) Inc. Statement of Changes in Equity

For the year ended February 28	Share Capital	Deficit	Total
Balance, beginning of the year	\$ 347,381	\$ (76,256)	\$ 271,125
Comprehensive loss	-	(117,692)	(117,692)
Issuance of share capital	<u>1,939,402</u>	-	<u>1,939,402</u>
Balance, end of the year	<u>\$2,286,783</u>	<u>\$ (193,948)</u>	<u>\$2,092,835</u>

HCM Ventures (VCC) Inc. Statement of Comprehensive Loss

For the year ended February 28	2019	2018
Operating expenses		
Advertising and promotion	\$ 37,852	\$ 30,951
Amortization	1,714	248
Commission	-	11,288
Interest and bank charges	1,021	286
Office supplies	16,672	69
Professional fees	65,753	21,344
Travel	89,660	4,492
	<hr/>	<hr/>
Loss before income taxes	(212,672)	(68,678)
Income taxes - deferred (recovery)	(94,980)	-
	<hr/>	<hr/>
Comprehensive loss, end of the period	(117,692)	(68,678)
Deficit, beginning of the year	(76,256)	(7,578)
	<hr/>	<hr/>
Deficit, end of the year	\$ (193,948)	\$ (76,256)

HCM Ventures (VCC) Inc. Statement of Cash Flows

For the year ended February 28	2019	2018
Cash flows from operating activities		
Cash paid to suppliers	\$ (190,682)	\$ (71,145)
Interest paid	(1,021)	(286)
	<u>(191,703)</u>	<u>(71,431)</u>
Cash flows from investing activities		
Acquisition of equipment	(4,926)	(902)
Advances to related parties	(5,863)	(40,508)
Repayments from shareholder	189,128	(186,625)
	<u>178,339</u>	<u>(228,035)</u>
Cash flows from financing activities		
Issuance of share capital	1,853,515	347,380
Net increase in cash	1,840,151	47,914
Cash, beginning of the year	<u>47,915</u>	<u>1</u>
Cash, end of the year	<u>\$ 1,888,066</u>	<u>\$ 47,915</u>

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

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity HCM Ventures (VCC) Inc. (the "Company") was incorporated on January 18, 2017 in British Columbia under the BC Business Corporations Act. The Company was formed for the primary purpose of raising capital through third party investors. The corporate headquarters of the Company is located at 2970 Graymar Road, Kelowna, BC V1Z 1Y8.

Basis of Presentation The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Account Standards Board ("IASB"). The functional and presentation currency is the Canadian dollar.

These statements have been authorized for issue by the Board of Directors on August 19, 2019.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's account policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial Assets

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

The Company's financial assets measured at amortised cost comprise trade receivables, receivables from related parties and cash in the statement of financial position.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Equipment Equipment is stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Declining balance	20%

Impairment of Long-Lived Assets In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value of discounted cash flows is required. The Company considers that no circumstances exist that would require such an evaluation.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred tax asset to be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities (assets) are settled (recovered).

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

HCM Ventures (VCC) Inc.
Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Standards, Amendments and Interpretations Implemented through the year	The following new standards, interpretations and amendments, which have been applied in these financial statements:
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IFRS 15 Revenue from contracts with clients (IFRS 15)

On March 1, 2018, the Company adopted IFRS 15 Revenue from contracts with clients, which supercedes IAS 18 Revenue and IAS 11 Construction Contracts as well as various Interpretations previously issued by the IFRS Interpretations Committee. Implementation of this standard change has not impacted the Company during the current year as there was no revenue generated. The Company will assess the impact of the new standard when revenue is generated.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Standards, Amendments and Interpretations Implemented through the year (continued)	<p>IFRS 9 Financial Instruments (IFRS 9)</p> <p>On March 1, 2018, the Company adopted IFRS 9 Financial Instruments (IFRS 9), which supersedes IAS 39, Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities; new guidance for measuring impairment on financial assets; and new hedge accounting guidance. The Company adopted IFRS 9 retrospectively, however despite the retrospective adoption of IFRS 9, the Company is not required, upon initial application, to restate comparatives.</p> <p>i) Classification and measurement of financial instruments</p> <p>On adoption of IFRS 9, in accordance with its transitional provisions, the Company has not restated prior periods but has reclassified the financial assets held at March 1, 2018, retrospectively, based on the new classification requirements and the characteristics of each financial instrument as at the transition date. Management has determined there is no difference in the reclassification of the financial assets. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. The Company has financial liabilities such as accounts payable and as shareholder loan, however the adoption of IFRS 9 did not impact the Company's accounting policies for these financial liabilities.</p> <p>ii) Impairment of financial assets</p> <p>IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss model. This applies to financial assets measured at amortized cost. Under IFRS 9, credit losses are recognized earlier than under IAS 39.</p> <p>iii) Disclosure</p> <p>Amendments were also made to IFRS 7 introducing expanded qualitative and quantitative disclosures related to IFRS 9, which the Company has also adopted for the annual period beginning March 1, 2018.</p> <p>Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measurement at amortized cost, Fair Value Through Other Comprehensive Income (FVTOCI), and Fair Value Through Profit or Loss (FVTPL).</p>
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HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Standards, Amendments and Interpretations Not Yet Effective	<p>IFRS 16 Leases is a new standard that supersedes IAS 17. IFRS 16 eliminates the classification of leases as either operating lease or financing leases and, instead, introduces a single lessee accounting model. A lessee will be required to recognize assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and will be required to present depreciation of leased assets separately from interest on lease liabilities in the statement of income (loss). A lessor will continue to classify its leases as operating leases or financing leases, and to account for those two types of leases separately. The standard is effectively for annual periods beginning on or after January 1, 2019. The Company is in the process of evaluating the impact of the new standard.</p>
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In June 2017, the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments with a mandatory effective date of January 1, 2019. The interpretations provide guidance on how to value uncertain income tax positions based on the probability of whether the relevant tax authorities will accept the company's tax treatments. A company is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. IFRIC 23 is to be applied by recognizing the cumulative effect of initially applying these guidelines in opening retained earnings without adjusting comparative information. The Company is in the process of evaluating the impact of the adoption of IFRIC 23.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's future financial statements.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

2. Critical Accounting Estimates and Judgements

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgements

i) Financial Instruments Classification

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the Statement of Financial Position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

Estimates and Assumptions

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

i) Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

2. Critical Accounting Estimates and Judgements (continued)

ii) Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from the losses and other deferred tax assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

3. Due From Related Parties

All amounts due from related parties arose from the Company incurring shared costs from HCM Ventures Alberta (VCC) Inc., a company with common management and ownership. These amounts are non interest bearing and will be repaid within the next fiscal year.

4. Equipment

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 2,153	\$ (952)	\$ 902	\$ (248)
Computer software	3,675	(1,011)	-	-
	5,828	(1,963)	902	(248)
	\$ 3,865		\$ 654	

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

5. Income Taxes

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income (loss) before income taxes. The principle reasons for differences between such "expected" income tax expense and the amount actually recorded are as follows:

	2019	2018
Loss before income taxes	\$ (212,672)	\$ (68,678)
Combined basic federal and provincial tax rates	27.00 %	26.17 %
Expected income tax recovery	\$ (57,421)	\$ (17,973)
Increase (decrease) in income tax recovery resulting from:		
Non-taxable income or non-deductible expenses	(17,022)	1,963
Other	(935)	(3,592)
Change in unrecognized deferred tax assets	(19,602)	19,602
Income tax recovery	\$ (94,980)	\$ -

The Canadian statutory tax rate changed from Company to 27% due to a change of legislation.

As at Company, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below.

2027	\$ 7,578
2028	61,175
2029	280,189
	<u>\$ 348,942</u>

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

5. Income Taxes (continued)

The components of the net deferred tax asset as at Company are as follows:

2019	Opening balance at Mar 1, 2018	Recognized in Net Income (loss)	Recognized directly in equity	Closing Balance at Feb 28, 2019
Property, plant and equipment	\$ -	\$ 463	\$ -	\$ 463
Share issuance costs	1,612	-	84,274	85,886
Other	-	303	-	303
Non-capital losses	17,990	76,224	-	94,214
Deferred tax asset	19,602	76,990	84,274	180,866
Unrecognized deferred tax assets	(19,602)	17,990	1,612	-
2019 Net deferred tax assets	\$ -	\$ 94,980	\$ 85,886	\$ 180,866

The movement in 2018 deferred tax assets are:

2018	Opening Balance at Mar 1, 2017	Recognized in Net Income (loss)	Recognized directly in equity	Closing Balance at Feb 28, 2018
Share issuance costs	\$ -	\$ -	\$ 1,612	\$ 1,612
Non-capital losses	-	17,990	-	17,990
Deferred tax asset	-	17,990	1,612	19,602
Unrecognized deferred tax assets	-	(17,990)	(1,612)	(19,602)
2018 Net deferred tax assets	\$ -	\$ -	\$ -	\$ -

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

6. Share Capital

Authorized:

Unlimited Class "A" voting common shares, (fully participating with Classes "B" and "C"), without par value;

Unlimited Class "B" voting common shares, (fully participating with Classes "A" and "C"), without par value;

Unlimited Class "C" voting common shares, (fully participating with Classes "B" and "C"), without par value;

Unlimited Class "D" voting shares, (participation limited to consideration paid), without par value.

Issued:

	2019	2018
100 Voting Class D shares	\$ 1	\$ 1
5,108,162 Voting Class A shares	2,286,782	347,380
	<u>\$ 2,286,783</u>	<u>\$ 347,381</u>

During the year, the company issued a total of 4,413,402 Voting Class A shares for the amount of \$2,245,365 less \$391,484 of share issuance fees. \$85,886 was offset to share capital as a result of a temporary difference arising from the deferred tax asset.

7. Subsequent Event

Subsequent to the year end, 22,000 Class "A" voting common shares, without par value, were issued for a total amount of \$22,000.

HCM Ventures (VCC) Inc. Notes to Financial Statements

February 28, 2019

8. Financial Instrument Risk Exposure and Management

The Company has classified its financial instruments in accordance with IFRS into various categories as described in its accounting policies. The fair values of financial instruments are classified and measured according to the following three levels based on the fair value hierarchy.

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data. There were no financial instruments carried at fair value categorized in Level 3 as at Company.

The carrying value of shareholders' loans and accrued liabilities approximates their fair values due to the immediate or short term nature of these instruments. The balances due to related parties approximated their fair values since these instruments were due on demand.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk arising from its bank accounts and cash being held at one financial institution.

It is management's position that the Company is not exposed to significant market risk arising from financial instruments.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure it will always have sufficient cash, or access to cash, to allow it to meet its liabilities when they become due. The Company's accounts payable and accrued balances mature within a 12 month time frame. The related balances payable are due on demand. Management regularly reviews this position and future cash requirements to manage this risk.

It is management's position that the Company is not exposed to significant market risk arising from financial instruments.

HCM Ventures (VCC) Inc.
Financial Statements
For the Period Ended August 31, 2019

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statement for the 6-month period ending August 31, 2019

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

HCM Ventures (VCC) Inc.
Statement of Financial Position

August 31, 2019 February 28, 2019

Assets

Current

Cash	\$ 1,339,300	\$ 1,888,066
Investments	\$ 710,000	\$ 0
Prepaid Expenses	\$ -	\$ 5,000
Due from related parties	\$ -	\$ 46,371

2,049,300 1,939,437

Equipment	-	3,865
Deferred tax asset	180,866	180,866
	\$ 2,230,166	\$ 2,124,168

Liabilities and Shareholder's Deficiency

Current

Accounts payable and accrued liabilities	\$ 22,467	\$ 28,830
Due to Shareholder	-	2,503
	0	31,333


Shareholder's Deficiency

Share Capital	2,418,784	2,286,784
Deficit	(211,085)	(193,948)

2,207,699 2,092,835

\$ 2,230,166 \$ 2,124,168

On behalf of the Board:

DocuSigned by:

 6290E6302081462... Director

HCM Ventures (VCC) Inc.
Statement of Comprehensive Income (loss)

	August 31, 2019	February 28, 2019
Operating expenses		
Advertising and promotion	\$ 3,567	\$ 37,852
Amortization of Equipment	\$ -	\$ 1,714
Commission	\$ 9,000	\$ -
Interest and bank charges	\$ 207	\$ 1,021
Office Supplies	\$ 798	\$ 16,672
Professional Fees	\$ -	\$ 65,753
Travel	\$ 3,565	\$ 89,860
Comprehensive loss, end of period	(17,137)	(212,672)
Income taxes – deferred (recovery)	-	(94,980)
Comprehensive loss, end of period	(17,137)	(117,692)
Deficit, beginning of period	(193,948)	(76,256)
Deficit, end of period	(211,085)	(193,948)

HCM Ventures (VCC) Inc.
Statement of Cash Flows

	August 31, 2019	February 28, 2019
Cash flows from operating activities		
Cash paid to suppliers and employees	\$ (16,930)	\$ (190,682)
Interest Paid	\$ (207)	\$ (1,021)
	<u>\$ (17,137)</u>	<u>\$ (191,703)</u>
Cash flows from investing activities		
Acquisition of property and equipment	\$ -	\$ (4,926)
Advances to related parties	\$ -	\$ (5,863)
Repayments of advances to related parties	\$ 46,371	
Repayments from shareholder	\$ -	\$ 189,128
Investments	\$ (710,000)	
	<u>\$ (680,766)</u>	<u>\$ 178,339</u>
Cash flows from financing activities		
Issuance of share capital	\$ 132,000	\$ 1,853,515
Net Increase in Cash	(548,766)	1,840,151
Cash, beginning of year	1,888,066	47,915
Cash, end of period	\$ 1,339,300	\$ 1,888,066

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity

HCM Ventures (VCC) Inc. (the "Company" was incorporated on January 18, 2017 in British Columbia under the BC Business Corporations Act. The Company was formed for the primary purpose of raising capital through third party investors. The corporate headquarters of the company is located at 2578 – 550 Burrard St. Vancouver, BC V7X 1A6

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The functional and presentation currency is the Canadian dollar.

These statements have been authorized for issue by the Board of Directors on October 31, 2019.

The Preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair market value plus directly attributable transaction costs, except for financial assets and financial liabilities carried at fair market value through profit or loss, which are measured initially at fair market value.

Financial assets and financial liabilities are measured subsequently depending on their classification as discussed below:

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

**Financial Instruments
(continued)**

Financial Assets

Cash, trade and other receivables and loans that are fixed or determined payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivable are initially recognized at fair market value and subsequently carried at amortized cost using the effective interest rate method, less provisions for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are a reported net, such provisions are recorded in a separate allowance account with the loss being recognized within the expenses in the Statement of Comprehensive Income (Loss). On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

The Company does not have any financial assets classified as Fair Market Value Through Profit or Loss, Held to Maturity or Available-For-Sale.

Financial Liabilities

The Company's financial liabilities include accounts payable and accrued liabilities and other payables and loans. These are classified in Other Financial Liabilities and are measured at fair value on initial recognition, net of transaction costs and subsequently at amortized cost using the effective interest rate method.

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

**Financial Instruments
(continued)**

The company does not have any financial liabilities classified as Fair Value Through Profit or Loss, Held to Maturity or Available-For-Sale.

Revenue Recognition

Revenue is recognized as it is earned, and collection is reasonably assured.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value of discounted cash flow is required. The Company considers that no circumstances exist that would require such an evaluation.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

**Standards, Amendments and
Interpretations Not Yet Effective**

Certain new standards, amendments and interpretations have been published that are mandatory for the Company's accounting periods that the Company has decided not to early adopt.

The following new standards, interpretations, and amendments, which have not been applied in these financial statements, that will or may have an effect on the Company's financial statements are:

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

**Financial Instruments
(continued)**

Financial Assets

Cash, trade and other receivables and loans that are fixed or determined payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivable are initially recognized at fair market value and subsequently carried at amortized cost using the effective interest rate method, less provisions for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are a reported net, such provisions are recorded in a separate allowance account with the loss being recognized within the expenses in the Statement of Comprehensive Income (Loss). On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

The Company does not have any financial assets classified as Fair Market Value Through Profit or Loss, Held to Maturity or Available-For-Sale.

Financial Liabilities

The Company's financial liabilities include accounts payable and accrued liabilities and other payables and loans. These are classified in Other Financial Liabilities and are measured at fair value on initial recognition, net of transaction costs and subsequently at amortized cost using the effective interest rate method.

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

**Standards, Amendments and Interpretations Not Yet Effective
(continued)**

IFRS 9 Financial Instruments is part of the IASB's wider project replacement IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 retains but simplifies the mixed measurement categories for financial assets, amortized costs and fair value. The basis of classification depends on the entity's business model and contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The company is in the process of evaluating the impact of the new standard.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's future financial statements.

2. Critical Accounting Estimates and Judgements

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that effect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statement and reported amounts of revenue and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgements

i) Financial Instrument Classification

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the Statement of Financial Position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgements, taking into account management's intention of the use of the financial instruments.

Estimates and Assumptions

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of change, if the change affects that period only; or in the period of change and future periods, if the change affects both.

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

2. Critical Accounting Estimates and Judgements (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

ii) Impairment

an impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

3. Share Capital

Authorized:

Unlimited Class "A" Voting common shares, (fully participating with Classes "B" and "C"), without par value:

Unlimited Class "B" Voting common shares, (fully participating with Classes "A" and "C"), without par value:

Unlimited Class "C" Voting common shares, (fully participating with Classes "A" and "B"), without par value:

Unlimited Class "D" Voting common shares, (participation limited to consideration paid), without par value:

Issued:

	Period Ending August 31, 2019		February 28, 2019
100 voting Class D Shares	\$ 1	\$	1
Voting Class A Shares	\$ 2,418,783	\$	2,286,783
	\$ 2,418,784	\$	2,286,784

HCM Ventures (VCC) Inc.
Notes to Financial Statements

August 31, 2019

4. Financial Instrument Risk Exposure and Management

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk arising from its bank accounts and cash being held at one financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The liquidity risk includes risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at value, which is less than they are worth; or may be unable to settle or recover financial assets. The Company is exposed to this risk mainly in the respect of its accounts payable and accrued liabilities.

It is management's position that the company is not exposed to significant market risk arising from financial instruments.

14. DATE AND CERTIFICATE

Dated October 31, 2019.

This Offering Memorandum does not contain a misrepresentation.

CERTIFICATE OF THE CORPORATION

"Glen Vause"

Glen Vause
Chief Executive Officer

"Glen Vause"

Glen Vause,
Acting Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Glen Vause"

Glen Vause, Director

"Fred Munn"

Fred Munn, Director

ON BEHALF OF THE PROMOTER

RFG ROBSON FINANCIAL INC.

"Glen Vause"

Glen Vause, Director

SCHEDULE “A”

SUBSCRIPTION AGREEMENT

(attached)

**Private Placement – Offering Memorandum,
Accredited Investor and Minimum Amount**

SUBSCRIPTION AGREEMENT FOR VOTING COMMON SHARES

TO: HCM Ventures (VCC) Inc. (the "Corporation")

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of Voting Common Shares in the capital of the Corporation (the "**Common Shares**") set forth below for the aggregate subscription price (the "**Aggregate Subscription Price**") set forth below, representing a subscription price of \$1.00 per Common Share, upon and subject to the terms and conditions set forth in the "Terms and Conditions of Subscription for Voting Common Shares of HCM Ventures (VCC) Inc." attached hereto (together with this face page and all applicable Exhibits hereto, the "**Subscription Agreement**"). In addition to this face page and pages 10 and 11, the Subscriber must complete all applicable Exhibits.

Subscriber Signature and Information:

(Name of Subscriber - please print)

By: _____
(Authorized Signature)

(Official Capacity or Title - please print)

(Please print name of individual whose signature appears above if different than the name of the subscriber printed above.)

By executing this Subscription Agreement, you are consenting (on your own behalf and, if applicable, on behalf of the beneficial purchaser for whom you are contracting), to the collection, use and disclosure of personal information in the manner described in the Privacy Notice on page 15 of this Subscription Agreement.

(Subscriber's Address)

(Telephone Number) (E-mail Address)

If the Subscriber is signing as agent for a principal and is not subscribing pursuant to paragraph (p) or (q) of **Appendix "A"** to **Exhibit V**, complete the box entitled "Disclosed Principal Information" and ensure that **Exhibit V** is completed on behalf of such principal.

Number of Common Shares: _____

Aggregate Subscription Price: \$ _____

Disclosed Principal Information (if not the same as Subscriber)
(check the appropriate box):

- ☐ the Subscriber is a trust company or trust corporation, or a registered adviser acting on behalf of a fully managed account, and is deemed under applicable securities laws to be purchasing as principal, or
- ☐ the following information is true and correct and a Representation Letter in the form attached as **Exhibit V** hereto (together with **Appendix "A"** and, if applicable, **Appendix "B"** and **Appendix "C"** thereto) has been completed for each beneficial purchaser:

(Name of Disclosed Principal/Account details)

(Disclosed Principal's address)

(Telephone Number)

(Fax Number)

(Email Address)

Deliver the Common Shares as set forth below:

(Name)

(Account reference, if applicable)

(Contact Name)

(Address)

(Telephone Number)

(E-Mail Address)

Register the Common Shares as set forth below:

(Name)

(Account reference, if applicable)

Address (including postal code)

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

HCM Ventures (VCC) Inc.

Subscription No: _____

By: _____

_____, 2019

Authorized Signatory

This is the first page of an agreement comprised of 15 pages (not including Exhibits)

Please make sure that your subscription includes:

1. one (1) properly completed and duly executed copy of this Subscription Agreement (including the information required on pages 1, 10 and 11);
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Price payable to “HCM Ventures (VCC) Inc.”;
3. a properly completed and duly executed copy of each document referred to in the applicable subsection of Section 3(r), namely:
 - (a) Subsection 3(r)(i) – “accredited investor exemption”;
 - (b) Subsection 3(r)(ii) – “\$150,000 minimum amount exemption”;
 - (c) Subsection 3(r)(iii) – “offering memorandum exemption – BC and NL residents”;
 - (d) Subsection 3(r)(iv) – “offering memorandum exemption – MB, PEI and Territories residents”; or
 - (e) Subsection 3(r)(v) – “offering memorandum exemption – AB, NB, NS, ON, PQ and SK residents”;
4. if you are seeking a VCC Tax Credit (British Columbia Residents Only) a properly completed and duly executed, undated Share Purchase Report attached as **Exhibit IV** (please complete all information in this form but leave the Investment Date and date of execution blank – this information will be completed by the Corporation at closing); and
5. a properly completed and duly executed Notification of Delivery of Personal Information attached as **Exhibit II**.

*****Important Delivery Instructions*****

Please deliver your Completed Subscription Agreement and Certified Cheque or Bank Draft to:

**HCM Ventures (VCC) Inc.
301-1665 Ellis Street
Kelowna, BC V1Y 2B3
Attn: Glen Vause**

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
VOTING COMMON SHARES OF HCM VENTURES (VCC) INC.**

1. **Definitions.** In addition to the terms defined on the face page hereof or elsewhere in this Subscription Agreement, the following capitalized terms used in this Subscription Agreement have the following meanings. Words importing the singular, where the context requires, include the plural and vice versa:

"business day" means any day except a Saturday, Sunday or a statutory holiday in Kelowna, British Columbia;

"Closing" means the closing on the Closing Date (as defined herein) of the issue and sale of Common Shares as contemplated by this Subscription Agreement;

"Disclosed Principal" means any principal on whose behalf the Subscriber is subscribing for Common Shares pursuant to the Offering (as hereinafter defined) as disclosed on the face page of this Subscription Agreement;

"Offering" means the Offering described in the Offering Memorandum;

"Offering Memorandum" means the Offering Memorandum prepared by the Issuer to which this Subscription Agreement is attached;

"Subscription Agreement" means the agreement resulting from the acceptance by the Corporation of the Subscriber's offer constituted hereby;

"Subscription Price" means the Aggregate Subscription Price shown on page 1 of the Subscription Agreement; and

"United States" means the United States of America, its territories and possession, any state of the United States and the District of Columbia.

2. **Acknowledgements of the Subscriber.** The Subscriber, on its own behalf and, if applicable, on behalf of any Disclosed Principal, agrees and acknowledges that:

- (a) the Offering is not subject to any minimum subscription level, and therefore, the Subscriber may be the only subscriber under the Offering;
- (b) the Subscription Price will be held in trust by the Corporation until the two day cancellation right described in Offering Memorandum has expired. Thereafter, the Subscription Price is not refundable and is available to the Corporation as provided in the Offering Memorandum;
- (c) the decision to accept or reject this subscription offer may be made by the board of directors of the Corporation at such time, under such circumstances and for such reasons as the board of directors of the Corporation may determine in its sole discretion. The Subscriber acknowledges and agrees that this subscription may be accepted or rejected by the Corporation at any time after midnight on the 2nd day after the date of the Subscription Agreement. If the subscription is rejected in whole or in part, the balance of the Subscription Price not accepted by the Issuer shall be returned to the Subscriber without interest, penalty or deduction;
- (d) the Corporation may pay a cash finder's fee to certain persons in connection with sales by such persons in relation to the Offering as described in the Offering Memorandum;
- (e) the Subscriber is aware that the Corporation intends to engage one or more third parties (each a **"Consultant"**) to provide administrative and other consultancy services to the Corporation including, but not limited to, identifying, reviewing and presenting prospective investee companies to the Corporation and coordinating and assisting investment transactions entered into by the Corporation, but with the board of directors of the Corporation retaining ultimate decision-making authority with respect to all investments made by the Corporation, and that Corporation may agree to pay reasonable compensation to such service providers, including service providers who may be directly or indirectly related to one or more directors, executive officers, founders and/or shareholders of the Corporation, including but not limited to the compensation described in the attached **Exhibit VI** and any reasonable out-of-pocket expenses incurred by the service provider in the course of providing services to the Corporation;

- (f) the Common Shares are being offered for sale only on a “private placement” basis and that the sale and delivery of the Common Shares is conditional upon such sale being exempt from the prospectus filing or registration requirements in connection with the distribution of the Common Shares under applicable securities law or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus;
- (g) there are risks associated with the purchase of the Common Shares and the Subscriber is solely responsible for obtaining independent legal, tax and investment advice as it considers appropriate in connection with its subscription for Common Shares and has had the opportunity to acquire an understanding of the meanings of all of the terms and definitions contained herein for the purposes of giving the acknowledgements, representations, warranties, undertakings and covenants contained in this Subscription Agreement and that the Corporation's counsel is acting as counsel to the Corporation and not as counsel to the Subscriber;
- (h) the Subscriber is aware and has been advised that:
 - (i) the Subscription Price represent seed or risk capital for the Corporation,
 - (ii) the Corporation is in an early development stage of its existence,
 - (iii) the Corporation has no substantial assets, and
 - (iv) the Corporation intends to make longer term private equity and venture capital investments, to invest for the purpose of being actively involved in the management of investee companies and to provide ancillary management services to investee companies in accordance with the provisions of the *Small Business Venture Capital Act* (British Columbia), and has determined that, as a result, it is (A) not an “investment fund” as defined in *National Instrument 81-106 (Investment Fund Continuous Disclosure)* and (B) not in the business of trading securities as described in *National Instrument 31-103 (Registration Requirements)* and, accordingly, is not registered as a portfolio manager, investment fund manager or dealer with any securities regulator in Canada; however, there can be no assurance that the Corporation will not be required to become registered as a portfolio manager, investment fund manager or dealer in the future, and
- (i) no securities commission, stock exchange, governmental agency, regulatory body or similar authority has reviewed, made any finding or determination or passed on the merits of investing in the Common Shares and that there is no government or other insurance covering the Common Shares;
- (j) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (British Columbia) and other applicable securities laws and, except as otherwise described in the Offering Memorandum in respect of the offering memorandum exemption (as applicable), as a consequence of acquiring the Common Shares pursuant to an exemption:
 - (i) the Subscriber (and, if applicable, any Disclosed Principal) is restricted from using most of the civil remedies available under applicable securities law such as certain protections, rights and remedies provided by the *Securities Act* (British Columbia) or other applicable securities law, including statutory rights of rescission or damages;
 - (ii) the Corporation is not required to deliver to the Subscriber (and, if applicable, any Disclosed Principal) information that would otherwise be required to be provided to it under applicable securities law;
 - (iii) the common law may not provide the Subscriber (and, if applicable, any Disclosed Principal) with an adequate remedy in the event that it suffers investment losses in connection with the Common Shares acquired pursuant to the Offering; and
 - (iv) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities law;
- (k) neither the Corporation nor any of its directors, officers, representatives, agents, advisors, employees or affiliates have made any representations (written or oral) to the Subscriber or, if applicable, any Disclosed Principal;

- (i) regarding the future price or value of the Common Shares; or
 - (ii) that any person will resell or repurchase the Common Shares; or
 - (iii) that any person will refund the purchase price of the Common Shares other than as provided in this Subscription Agreement;
- (l) **the Common Shares are not listed for trading on any exchange and may never be publically listed for trading.** The Subscriber has been advised to consult with its own legal advisors as to restrictions with respect to trading in the Common Shares imposed by applicable securities laws in the jurisdiction in which it resides, it confirms that no representation (written or oral) has been made to it by or on behalf of the Corporation with respect thereto, it acknowledges that it is aware of the characteristics of the Common Shares, the risks relating to an investment therein, that the Common Shares are subject to a “seasoning period” under applicable securities laws, and of the fact that it will not be able to resell the Common Shares until the expiration of the applicable “seasoning period” except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with other requirements of applicable law;
- (m) the certificates representing the Common Shares will bear a legend indicating that the resale of such Common Shares is restricted and the Subscriber further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and it agrees that it is the Subscriber’s responsibility to comply with such restrictions before selling the Common Shares;
- (n) the Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (“**U.S. Securities Act**”) or the securities laws of any state of the United States and that these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Common Shares; and
- (o) the Corporation may complete additional financings in the future, in addition to the Offering, and there is no assurance that such additional financing will be available and, if available, on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber or, if applicable, any Disclosed Principal.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber, on its own behalf and, if applicable, on behalf of any Disclosed Principal, represents, warrants and undertakes to and covenants with the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

- (a) if the Subscriber is acting for a Disclosed Principal:
 - (i) if the Disclosed Principal is an individual, it is of the full age of majority in its applicable jurisdiction of residence, and is legally competent to enter into and perform all of its obligations hereunder and to undertake all actions required hereunder; or
 - (ii) if the Disclosed Principal is not an individual:
 - (a) it has the requisite power, authority, legal capacity and competence to enter into and perform all of its obligations hereunder, to undertake all actions required, and all necessary approvals of its directors, partners, shareholders, trustees, principals or otherwise with respect to such matters have been given or obtained;
 - (b) it pre-existed the Offering and has a bona fide business other than the investment in the Common Shares and was not created, formed or established solely or primarily to acquire securities without a prospectus in reliance on an exemption from the prospectus requirements provided for in applicable securities law; and
 - (c) if it is a body corporate, it has been duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation;

- (b) if the Subscriber is not acting for a Disclosed Principal:
 - (i) if the Subscriber is an individual, it is of the full age of majority in its applicable jurisdiction of residence, and is legally competent to execute and deliver this Subscription Agreement and all other documentation in connection with this subscription and to perform all of its obligations hereunder and to undertake all actions required hereunder; or
 - (ii) if the Subscriber is not an individual:
 - (a) it has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement and all other documentation in connection with this subscription and perform all of its obligations hereunder, to undertake all actions required, and all necessary approvals of its directors, partners, shareholders, trustees, principals or otherwise with respect to such matters have been given or obtained;
 - (b) it pre-existed the Offering and has a bona fide business other than the investment in the Common Shares and was not created, formed or established solely or primarily to acquire securities without a prospectus in reliance on an exemption from the prospectus requirements provided for in applicable securities law; and
 - (c) if it is a body corporate, it has been duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation;
- (c) if the Subscriber is not acting for a Disclosed Principal, this Subscription Agreement has been duly and validly authorized, executed and delivered by the Subscriber, and constitutes a legal, valid and binding obligation of the Subscriber enforceable against it in accordance with its terms;
- (d) if the Subscriber is acting on behalf of a Disclosed Principal, this Subscription Agreement has been duly and validly authorized, executed and delivered by or on behalf of such Disclosed Principal and constitutes a legal, valid and binding obligation of such Disclosed Principal enforceable against it in accordance with its terms;
- (e) if the Subscriber is not acting for a Disclosed Principal, the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not (or would not with the giving of notice, lapse of time or the happening of any other event or condition) result in a breach or violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement, contract, indenture, undertaking or covenant to which the Subscriber is a party or by which it is bound;
- (f) if the Subscriber is acting for a Disclosed Principal, the entering into and performance by the Disclosed Principal of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not (or would not with the giving of notice, lapse of time or the happening of any other event or condition) result in a breach or violation of any law, regulation, order or ruling applicable to the Disclosed Principal, and do not and will not constitute a breach of or default under any of the Disclosed Principal's constating documents (if the Disclosed Principal is not an individual) or any agreement, contract, indenture, undertaking or covenant to which the Disclosed Principal is a party or by which it is bound;
- (g) the Subscriber's offer to subscribe for the Common Shares pursuant to this Subscription Agreement is unconditional and may not be transferred or assigned without the prior express written consent of the board of directors of the Corporation and shall become irrevocable after midnight on the 2nd day after the date this Subscription Agreement is executed by the Subscriber;
- (h) if the Subscriber is investing pursuant to the offering memorandum exemption, the Subscriber has been provided with and has read and understood the Offering Memorandum of the Corporation in connection with the purchase and sale of the Common Shares, prior to subscribing, and has based the decision to invest in the Common Shares solely on the disclosure contained therein;
- (i) the Subscriber (and, if applicable, any Disclosed Principal):

- (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Common Shares;
 - (ii) is capable of assessing the proposed investment in the Common Shares as a result of its own respective experience or as a result of advice received from a person registered under applicable securities law;
 - (iii) is aware of the characteristics of the Common Shares and the risks relating to an investment therein; and
 - (iv) is able to bear the economic risk of loss of its investment in the Common Shares, including, but not limited to, the risk of loss of part or all of the Subscription Price, and the inability to sell, convert, exchange or transfer the Common Shares for an indefinite period of time or at a price which would enable the Subscriber to realize its investment in the Common Shares;
- (j) the Subscriber's decision to subscribe for the Common Shares has not been induced by any representations or warranties by the Corporation with respect to the present or future value of the Corporation's securities or the Corporation's prospects of becoming a reporting issuer or having its securities listed for trading on any stock exchange at any time in the future and the Subscriber acknowledges that the Corporation is under no obligation to qualify the Common Shares for resale under a prospectus or otherwise or to assist the Subscriber to do so;
- (k) the Subscriber and, if applicable, any Disclosed Principal has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the internet) with respect to the Offering;
- (l) the Subscriber has been advised by its own legal, tax and financial advisors with respect to the suitability of the Common Shares as an investment for the Subscriber and, if applicable, any Disclosed Principal, the tax consequences of purchasing and dealing with the Common Shares and the resale restrictions and "hold periods" to which the Common Shares are or may be subject under applicable securities law, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation in deciding to subscribe for Common Shares hereunder;
- (m) the Subscriber is aware of the characteristics of the Common Shares and is aware of and has considered the risks inherent in its investment in the Corporation, is familiar with the business objectives of the Corporation and has been informed as to the proposed use of proceeds of the Offering;
- (n) the Subscriber and any Disclosed Principal have not received or been provided with, nor has either requested, nor does either have any need to receive, any prospectus, sales or advertising literature or any other document (other than the Offering Memorandum, an Offering fact sheet and financial statements, interim financial statements or any other document the content of which is prescribed by statute or regulation) describing or purporting to describe the business and affairs of the Corporation, which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the Common Shares offered for sale pursuant to this Offering;
- (o) if the Subscriber is not acting for a Disclosed Principal, the Subscriber was offered the Common Shares in, and is resident in, or otherwise subject to applicable laws of, the jurisdiction set out as the "Subscriber's Address" on the face page of this Subscription Agreement;
- (p) if the Subscriber is acting for a Disclosed Principal, both the Subscriber and the Disclosed Principal were offered the Common Shares in, and the Subscriber is resident in, or otherwise subject to applicable laws of, the jurisdiction set out as the "Subscriber's Address" on the face page of this Subscription Agreement;
- (q) either:
- (i) the Subscriber is purchasing the Common Shares as principal for its own account and not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Common Shares; or
 - (ii) if the Subscriber is acting as agent or trustee for a Disclosed Principal whose identity is disclosed or identified by account number only, each Disclosed Principal is purchasing as principal for its own

account and not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Common Shares, and each Disclosed Principal complies with such of subsections 3(n) below as are applicable to it; or

- (iii) the Subscriber is deemed to be purchasing as principal for its own account pursuant to applicable securities law by virtue of the fact that the Subscriber is resident in or otherwise subject to the applicable securities laws of the jurisdiction set out as the "Subscriber's Address" on the face page hereof, the Subscriber is an "accredited investor" as defined in paragraph (p) (other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) or paragraph (q) of the definition of "accredited investor" in National Instrument 45-106 - *Prospectus Exemptions* ("NI 45-106") (which definition is reproduced in **Appendix "A"** to **Exhibit V** attached hereto); and has executed and delivered to the Corporation a Representation Letter in the form attached hereto as **Exhibit V** indicating that the Subscriber fits within the category of "accredited investor" set forth in such definition;
- (r) the offering and sale of the Common Shares to the Subscriber is exempt from the prospectus requirements of applicable securities law as the Subscriber is either:
 - (i) a resident in or otherwise subject to the applicable securities laws of the jurisdiction set out as the "Subscriber's Address" on the face page hereof and it is an "accredited investor", as such term is defined in NI 45-106, such that one or more of the categories set forth in **Appendix "A"** to **Exhibit V** correctly and in all respects describes the Subscriber, and the Subscriber has so indicated by completing, executing and delivering to the Corporation:
 - (a) this Agreement;
 - (b) the Notification of Personal Information attached as **Exhibit II**; and
 - (c) a Representation Letter in the form attached hereto as **Exhibit V**, together with **Appendix "A"** and, if applicable, **Appendix "B"** and **Appendix "C"** to **Exhibit V**; or
 - (ii) a resident in or otherwise subject to the applicable securities laws of the jurisdiction set out as the "Subscriber's Address" on the face page hereof and it is not an individual (and is not acting as agent or trustee for a Disclosed Principal who is an individual), it is investing a minimum of \$150,000.00 and it has not been created and is not being used (and, if applicable, the Disclosed Principal has not been created and is not being used) solely to purchase or hold securities in reliance on the "\$150,000 minimum amount investment" exemption, as described subsection 2.10 of National Instrument 45-106 (*Prospectus Exemptions*) ("NI 45-106") and Subscriber has so indicated by completing, executing and delivering to the Corporation: (*Note: the \$150,000 minimum amount exemption is only available to non-individuals that were not created and are not being used solely to purchase or hold securities in reliance on this exemption*)
 - (a) this Agreement; and
 - (b) the Notification of Personal Information attached as **Exhibit II**; or
 - (iii) a resident in or otherwise subject to the applicable securities laws of British Columbia or Newfoundland and Labrador for which the exemptions described in Section 3(r)(i) and 3(r)(ii) do not apply, it has not been created, and is not being used, solely to purchase or hold securities in reliance on the Offering Memorandum Exemption as provided under subsection 2.9(1) of NI 45-106, it is relying on the Offering Memorandum Exemption as provided under subsection 2.9(1) of NI 45-106, and the Subscriber has so indicated by completing, executing and delivering to the Corporation:
 - (a) this Agreement;
 - (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as **Exhibit I** (two copies); and
 - (c) the Notification of Personal Information attached as **Exhibit II**; or

- (iv) a resident in or otherwise subject to the applicable securities laws of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon for which the exemptions described in Section 3(r)(i) and 3(r)(ii) do not apply, it has not been created, and is not being used, solely to purchase or hold securities in reliance on the Offering Memorandum Exemption as provided under subsection 2.9(2) of NI 45-106, it is relying on the Offering Memorandum Exemption as provided under subsection 2.9(2) of NI 45-106, and the Subscriber has so indicated by completing, executing and delivering to the Corporation:
 - (a) this Agreement;
 - (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as **Exhibit I** (two copies);
 - (c) the Notification of Personal Information attached as **Exhibit II**; and
 - (d) if relying on the Offering Memorandum exemption and if the investment is over \$10,000, the Representation Letter attached as **Exhibit III** confirming the Subscriber's qualification as an eligible investor;
- (v) a resident in or otherwise subject to the applicable securities laws of Alberta, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan for which the exemptions described in Section 3(r)(i) and 3(r)(ii) do not apply, it has not been created, and is not being used, solely to purchase or hold securities in reliance on the Offering Memorandum Exemption as provided under subsection 2.9(2.1) of NI 45-106, it is relying on the Offering Memorandum Exemption as provided under subsection 2.9(2.1) of NI 45-106, and the Subscriber has so indicated by completing, executing and delivering to the Corporation:
 - (a) this Agreement;
 - (b) the Form 45-106F4 - Risk Acknowledgement, in duplicate, attached as **Exhibit I** (two copies);
 - (c) the Notification of Personal Information attached as **Exhibit II**; and
 - (d) if relying on the Offering Memorandum exemption, the Schedule 1 - Classification of Investors Under the Offering Memorandum Exemption attached as **Exhibit VII** and Schedule 2 - Investment Limits for Investors Under the Offering Memorandum Exemption attached as **Exhibit VIII**;
 - (e) **FOR BRITISH COLUMBIA RESIDENTS ONLY** who are seeking the VCC Tax Credit as described under section 6.5 of the Offering Memorandum, the Share Purchase Report attached as **Exhibit IV** - DO NOT DATE THE CERTIFICATION SECTION;
- (s) the Subscriber and, if applicable, the Disclosed Principal has not been created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106;
- (t) the Subscriber, by executing this Subscription Agreement, agrees to be bound as a shareholder of the Corporation by the Corporation's articles, as they may from time to time be amended;
- (u) the Subscriber (and any Disclosed Principal) agrees to be bound by the terms and conditions contained in the Offering Memorandum, as may be amended from time to time, and will comply with all other applicable securities laws, orders or policies concerning the purchasing, holding and resale of the Common Shares;
- (v) the Subscriber will not resell the Common Shares except in accordance with the provisions of applicable securities law, regulations, rules, policies and orders;
- (w) the certificates representing the Common Shares may contain a legend indicating that the Common Shares are subject to hold periods pursuant to the applicable securities legislation and may only be traded after the expiry of such hold periods and only in accordance with the applicable provisions of the applicable securities legislation;

- (x) the Subscriber has relied solely upon publicly available information relating to the Corporation and not upon any oral or written representation as to fact or otherwise made by or on behalf of the Corporation;
- (y) the Common Shares have not been offered to the Subscriber (or any Disclosed Principal) in the United States, and the individuals making the order to purchase the Common Shares and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (z) the Subscriber is not a "U.S. Person" (as that term is defined by Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) or a person in the United States and is not purchasing the Common Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- (aa) the Subscriber will not offer or sell any of the Common Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities legislation of all applicable states of the United States, or an exemption from such registration requirements is available, and further that it will not resell the Common Shares, except in accordance with the provisions of applicable securities laws, regulations, rules, policies and orders and stock exchange rules;
- (bb) if required by applicable securities law or regulatory policy or by any securities commission, stock exchange or other regulatory authority, the Subscriber and, if applicable, any Disclosed Principal will, in a timely manner, execute, deliver, file and otherwise assist the Corporation in filing such reports, undertakings and other documents with respect to the issue of the Common Shares as may be required;
- (cc) the Subscriber and, if applicable, any Disclosed Principal, authorizes the Corporation to provide to the applicable securities regulator(s) such personal information of the Subscriber and, if applicable, any Disclosed Principal, as may be required by the applicable securities legislation;
- (dd) The Subscriber and, if applicable, any Disclosed Principal, agrees to promptly update its contact information, including but not limited to its mailing address as recorded in the Corporation's central securities register, residential address as necessary from time to time by delivery of notice in writing to the Corporation;
- (ee) the Subscriber and, if applicable, any Disclosed Principal, acknowledges that the Subscriber, any Disclosed Principal or the Corporation may be required to provide the applicable securities regulatory authorities with a list setting forth the identities of the beneficial purchasers of the Common Shares and notwithstanding that the Disclosed Principal may be purchasing the Common Shares as agent for a principal, it will provide on request, particulars as to the identity of such principal as may be required by the Corporation (in order to comply with the foregoing);
- (ff) the following information with respect to the Subscriber is true and correct:
 - (i) Are you an Insider of the Corporation (a director, officer or holder of shares equal to 10% or more of the Corporation's issued and outstanding share capital) - check one:
 YES _____ NO _____
 - (ii) Are you a registrant (a person who is registered or required to be registered under NI 31-103 - Registration Requirements and Exemptions) - check one:
 YES _____ NO _____
 - (iii) If you are a non-individual subscriber, please provide the name and telephone number of your contact person: _____
- (gg) the Subscriber and, if applicable, any Disclosed Principal, has been independently advised as to the or acknowledges that it is aware of the potential tax consequences to the Subscriber and, if applicable, any

Disclosed Principal, with respect to the acquisition, holding and disposition of the Common Shares, and confirms that no representation has been made to it by or on behalf of the Corporation with respect thereto;

- (hh) the funds representing the Aggregate Subscription Price which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's (and, if applicable, any Disclosed Principal's) name and other information relating to this Subscription Agreement and the subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber's knowledge (i) none of the subscription funds to be provided by the Subscriber (A) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith; and
- (ii) the Subscriber acknowledges that the foregoing representations, warranties and covenants are made by the Subscriber with the intent that they may be relied upon by the Corporation, Pushor Mitchell LLP and any other representatives of the Corporation in determining the Subscriber's suitability as a purchaser of Common Shares. The Subscriber agrees that the above representations, warranties and covenants in this subsection will be true and correct both as of the execution of this Subscription Agreement and as of the day of Closing, and the Subscriber hereby agrees to indemnify the Corporation, Pushor Mitchell LLP and any other representatives of the Corporation against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur as a result of reliance thereon. The Subscriber undertakes to notify the Corporation and its representatives immediately of any change in representation, warranty or other information relating to the Subscriber set forth herein which takes place prior to the Closing. The Subscriber acknowledges that Pushor Mitchell LLP has acted solely on behalf of the Corporation and has no solicitor-client relationship with the Subscriber in respect of this Subscription Agreement.

4. **Timeliness of Representations of the Subscriber and Survival.** The Subscriber agrees (for itself and, if applicable, on behalf of any Disclosed Principal) that the representations, warranties and covenants of the Subscriber (and, if applicable, any Disclosed Principal) herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time, and will survive the completion of the issuance of the Common Shares, or any subsequent disposition by the Subscriber.

5. **Reliance.** The Subscriber acknowledges (for itself and, if applicable, on behalf of any Disclosed Principal) that the Corporation and its counsel are relying upon the acknowledgements, representations, warranties, undertakings and covenants of the Subscriber (and, if applicable, any Disclosed Principal) set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (and, if applicable, any Disclosed Principal) to purchase the Common Shares hereunder, and hereby agrees to indemnify the Corporation and its respective affiliates, shareholders, directors, officers, partners, employees, advisors and agents, from and against all losses, claims, costs, expenses, damages or liabilities that it may suffer or incur as a result of or in connection with its reliance on such acknowledgements, representations, warranties, undertakings and covenants. The Subscriber undertakes to immediately notify the Corporation and the Corporation's counsel at Pushor Mitchell LLP, 301 – 1665 Ellis Street, Kelowna, British Columbia, V1Y 2B3, Attention: E. Blair Forrest, of any change in any statement or other information relating to the Subscriber (or, if applicable, any Disclosed Principal) set forth herein that occurs prior to the Closing Time.

6. **Representations, Warranties and Covenants of the Corporation.** The Corporation hereby represents, warrants, covenants and declares that:

- (a) it is a valid and subsisting corporation duly incorporated and in good standing under the laws of British Columbia;
- (b) it is duly registered and licensed to carry on business in the jurisdiction in which it carries on business or owns property;
- (c) the Offering Memorandum is accurate in all material respects and does not omit any fact, the omission of which would make such representation misleading;

- (d) the issue and sale of the Common Shares by the Corporation does not and will not conflict with, and does not and will not result in a breach of, any of the terms of the articles of the Corporation or any agreement or instrument to which the Corporation is a party;
- (e) the Corporation is not a party to any actions, suits or proceedings that could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;
- (f) this Subscription Agreement will be authorized by all necessary corporate action on the part of the Corporation on or before Closing; and
- (g) this Subscription and all monies tendered herewith, without interest or deduction thereon, shall be returned to the undersigned at the address below to the extent that this Subscription is not accepted by the Corporation.

7. **VCC Tax Credit (for British Columbia Residents Only).** If the Subscriber is seeking a British Columbia Investor Tax Credit (A “VCC Tax Credit”) under the *Small Business Venture Capital Act* (the “SBVC Act”), then:

- (a) the Subscriber must complete all relevant information on the Share Purchase Report attached hereto as **Exhibit IV**, **except for the date**, and deliver the Share Purchase Report to the Corporation along with the executed Subscription Agreement. The Subscriber hereby authorizes the Corporation and/or its legal counsel to insert, as the “Investment Date” and the date of execution of the Share Purchase Report, that date on which the Subscriber's subscription is closed;
- (b) the Corporation represents and warrants that it is registered as a Venture Capital Corporation under the SBVC Act and that, unless otherwise indicated to the Subscriber in writing, at the time of closing of the Subscriber's subscription it will have sufficient additional equity authorization under the SBVC Act to qualify the Subscriber's subscription for a provincial tax credit under the SBVC Act. The Subscriber acknowledges that the Administrator (as defined in the SBVC Act) has the ultimate discretion in respect of any tax credit for which the Subscriber may be eligible;
- (c) the Subscriber acknowledges and agrees that the eligibility of the Subscriber's subscription for a tax credit under the SBVC Act is subject to the terms and conditions of the Corporation's additional equity authorization and the provisions of the SBVC Act and regulations and that **the Corporation has recommended that the Subscriber seek independent legal advice with respect to the provisions of the SBVC Act**; and
- (d) the Subscriber acknowledges that if the Subscriber is seeking a tax credit under the SBVC Act, the certificates representing the Securities subscribed for hereunder will bear a legend indicating that the value of the Securities may be significantly affected by the repayment provisions of the SBVC Act.

8. **Deliveries by Subscriber Prior to Closing.** The Subscriber agrees to deliver to the Corporation at 301-1665 Ellis Street, Kelowna, BC V1Y 2B3 not later than 1:00 p.m. (Kelowna time) at least two (2) business days before any Closing Date (as hereinafter defined) of which the Subscriber receives notice:

- (a) this completed and duly executed Subscription Agreement (including the information required on pages 1, 10 and 11);
- (b) a certified cheque or bank draft made payable to “**HCM Ventures (VCC) Inc.**” for the Subscription Price of the Common Shares subscribed for under this Subscription Agreement or payment of the same amount in such other manner as is acceptable to the Corporation;
- (c) if the “accredited investor” exemption is applicable, a completed and duly executed Representation Letter in the form attached hereto as **Exhibit V**, including a completed **Appendix “A”** and, if applicable a completed **Appendix “B”** and completed **Appendix “C”**;
- (d) a completed and duly executed **Exhibit II**;
- (e) if the “offering memorandum” exemption is applicable, a completed and duly executed **Exhibit I** (two copies) and, if applicable, a completed and duly executed **Exhibit III**, **Exhibit VII** and **Exhibit VIII**;
- (f) if a British Columbia resident and seeking a VCC Tax Credit, a completed but undated Share Purchase Report in the form attached hereto as **Exhibit IV**; and

(g) such other documents as may be reasonably requested by the Corporation or its counsel.

9. **Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Common Shares, in whole or in part, and the Corporation reserves the right to sell to the Subscriber less than the number of Common Shares subscribed for under this Subscription Agreement. If this Subscription Agreement is rejected in whole, or if the Offering fails to close as contemplated by Section 8 herein, the purchase price tendered by the Subscriber to the Corporation on account of the number of Common Shares subscribed for will be returned to the Subscriber without interest or deduction. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the aggregate price of the number of the Common Shares sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, will be delivered to the Subscriber without interest by the Corporation.

10. **Time and Place of Closing.** The Closing of the Offering will be completed at the offices of the Corporation's solicitors at 3rd Floor, 1665 Ellis Street, Kelowna, BC, or such other place as the Corporation may determine, at such time or date as the Corporation may determine (the "**Closing Time**") including, without limitation, in one or more tranches as the Corporation determines (the "**Closing Date**").

11. **Disclosed Principal.** Whether or not explicitly stated in this Subscription Agreement, any acknowledgement, representation, warranty, undertaking, covenant or agreement made by the Subscriber in this Subscription Agreement, including all Exhibits hereto, will be treated as if, and be deemed to have been, also made by the Disclosed Principal, if any, for whom the Subscriber is contracting. Notwithstanding anything else herein contained, if the Disclosed Principal is a managed account in Ontario (indicating that it is an accredited investor pursuant to paragraph (p) or (q) of Appendix "A" to **Exhibit V**) the acknowledgements, representations, warranties, undertakings, covenants or agreements herein, other than as to the Disclosed Principal's status and eligibility to subscribe for the Common Shares under applicable securities law, will be treated as if, and be deemed to have been, made by the Subscriber.

12. **Limitation of Liability.** The Subscriber acknowledges and agrees that the Corporation will not be liable for any misrepresentation concerning or affecting the subject matter of this Subscription Agreement if the Subscriber purchased the Common Shares with knowledge of the misrepresentation and, in any event and without limiting the foregoing, the Corporation shall not be liable to the Subscriber for any amount exceeding the Subscription Price as of the date of the execution of this Subscription Agreement by the Subscriber;

13. **Manifest Errors.** The Subscriber hereby irrevocably authorizes the Corporation to complete or correct any errors, revisions or omissions in any form or document, including this Subscription Agreement, provided by the Subscriber.

14. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.

15. **Governing Law.** The contract arising out of this Subscription Agreement and all documents relating thereto by the Corporation shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein without regard to its conflicts of laws rules. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

16. **Regulatory Approvals.** The obligations of the parties hereunder are subject to any required regulatory approvals.

17. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.

18. **Entire Agreement.** This Subscription Agreement (together with all parts of the Offering Memorandum executed by the Subscriber and all attachments to, and any other documents contemplated by, this Subscription Agreement executed by the Subscriber) represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, warranties, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

19. **Facsimile Copies.** The Corporation and the Corporation's counsel shall be entitled to rely on delivery of a facsimile or electronic copy of executed Subscription Agreements, and acceptance by the Corporation of such facsimile or electronic subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber (and, if applicable, any Disclosed Principal) and the Corporation in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which

shall constitute one and the same document. In addition to the foregoing, the Subscriber shall deliver originally executed copies of the documents listed in Section 8 to the Corporation within two (2) business days of the Closing Date.

20. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

21. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. Where the context requires, all references in this Subscription Agreement to gender shall include all other genders and the neuter, and vice-versa, and all references to the plural shall include the singular, and vice-versa.

22. **Amendment.** Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

23. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the subscription for and sale of the Common Shares to the Subscriber shall be borne by the Subscriber. Notwithstanding the foregoing, if the Subscriber has arranged to deliver the Aggregate Subscription Price to the Corporation by way of a wire transfer, any corresponding wire transfer or similar bank charges from the Aggregate Subscription Price so wire transferred shall be for the account of the Corporation and shall be deemed to form part of the Aggregate Subscription Price.

24. **Withdrawal.** The Subscriber, (on its own behalf and, if applicable, on behalf of any Disclosed Principal) agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf or, if applicable, on behalf of any Disclosed Principal.

25. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

26. **English Language.** The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Common Shares be drawn up in the English language only. Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des actions ordinaires soient rédigés en anglais seulement.

27. **Currency.** Unless otherwise specified, references in the Subscription Agreement to "\$" are to Canadian Dollars.

28. **Enurement.** This Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber (and, if applicable, any Disclosed Principal) and the Corporation and their respective heirs, executors, administrators, successors and assigns.

PRIVACY NOTICE

This Subscription Agreement and the Exhibits hereto require the Subscriber to provide certain personal information (respecting the Subscriber and, if applicable, any Disclosed Principal) to the Corporation and its counsel. Such information is being collected by the Corporation and its counsel for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Subscriber or, if applicable, any Disclosed Principal, to purchase the Common Shares under applicable securities law, preparing and registering certificates representing the Common Shares to be issued hereunder and completing filings required under applicable securities law, regulations, rules, policies or orders or by any stock exchange or securities regulatory authority or taxation authority.

In addition, such personal information may be used or disclosed by the Corporation for the purpose of administering the Corporation's relationship with the Subscriber or, if applicable, any Disclosed Principal. For example, such personal information may be used by the Corporation to communicate with the Subscriber or, if applicable, any Disclosed Principal (such as by providing annual or quarterly reports), to prepare tax filings and forms or to comply with its obligations under taxation, securities and other laws (such as maintaining a list of holders of Common Shares).

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to applicable securities law and this personal information is also being collected for the purpose of administration and enforcement of applicable securities law.

In connection with the foregoing, the personal information of the Subscriber or, if applicable, any Disclosed Principal, may be disclosed by the Corporation to: (i) stock exchanges or securities regulatory or taxation authorities; (ii) the Corporation's registrar and transfer agent; (iii) taxation authorities; (iv) any of the other parties involved in the Offering, including legal counsel; and (v) be included in record books prepared in respect of the Offering.

By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of any Disclosed Principal) hereby consents to the collection, use and disclosure of such personal information. The Subscriber (on its own behalf and, if applicable, on behalf of any Disclosed Principal) also consents to the filing of copies or originals of any of the documents provided to the Corporation or its counsel by or on behalf of the Subscriber as may be required to be filed with any stock exchange, securities regulatory authority or taxation authority in relation to the transactions contemplated by this Subscription Agreement.

EXHIBIT I
Form 45-106F4
Issuer Copy

W A R N I N G

Risk Acknowledgement

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

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. HCM VENTURES (VCC) INC. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

You have 2 business days to cancel your purchase

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

Issuer Name and Address: HCM VENTURES (VCC) INC.
301-1665 Ellis Street
Kelowna, BC V1Y 2B3

Fax: (250) 762-6665 E-mail: info@hcmventures.vc

You are buying Exempt Market Securities

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

the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

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

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission

Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
www.bcsc.ca

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com/

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

The Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Ontario Securities Commission

Toll Free Telephone: 1-877-785-1555
www.osc.gov.on.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsc-cvmnb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-4625
www.gov.ns.ca/nssc/

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gs.gov.nl.ca

Government of Yukon

Telephone: (867) 667-5314
www.gov.yk.ca

Government of Northwest Territories

Telephone: (867) 920-3318
www.gov.nt.ca

Government of Nunavut

Telephone: (867) 975-6190
www.gov.nu.ca

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

EXHIBIT I
Form 45-106F4
Subscriber Copy

Risk Acknowledgement

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

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. HCM VENTURES (VCC) INC. will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

You have 2 business days to cancel your purchase

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

Issuer Name and Address: HCM VENTURES (VCC) INC.
301-1665 Ellis Street
Kelowna, BC V1Y 2B3

Fax: (250) 762-6665 E-mail: info@hcmventures.vc

You are buying Exempt Market Securities

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

W A R N I N G

the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

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

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission

Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
www.bcsc.ca

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com/

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

The Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Ontario Securities Commission

Toll Free Telephone: 1-877-785-1555
www.osc.gov.on.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsc-cvmnb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-4625
www.gov.ns.ca/nssc/

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gs.gov.nl.ca

Government of Yukon

Telephone: (867) 667-5314
www.gov.yk.ca

Government of Northwest Territories

Telephone: (867) 920-3318
www.gov.nt.ca

Government of Nunavut

Telephone: (867) 975-6190
www.gov.nu.ca

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

EXHIBIT II

Notification of Delivery of Personal Information to Applicable Canadian Securities Commissions

In connection with the Issuer's issuance to you of Securities in its capital stock, the Issuer is required, pursuant to securities laws to report such Securities issuance to the applicable securities commissions. The report requires information as to the name and residential address of the person receiving the Securities, the purchase price of the Securities, the date of the distribution of the Securities and the number of Securities being issued. We are also required to receive your authorization to deliver such information to the applicable securities commissions.

This information:

1. is being collected indirectly by the applicable securities commissions under the authority granted to it in securities legislation; and
2. is being collected for the purposes of the administration and enforcement of the securities legislation of the applicable securities jurisdictions.

Please sign the authorization below and provide this form to the Issuer, along with your subscription agreement.

I, _____, do hereby authorize the Issuer to provide the information, as noted above, to the applicable securities commissions.

For an Individual:

For a Corporate Entity:

Signature

Insert Name of Corporate Entity

Print Name

Per: _____
Authorized Signatory

If you have any questions with respect to how this information is being used by the applicable securities commissions please feel free to contact them at:

British Columbia Securities Commission
701 West Georgia Street
Vancouver, BC V7Y 1L2
Telephone: (604) 899-6500

Ontario Securities Commission
Suite 1903 - 20 Queen Street West
Toronto, ON M5H 3S8
Telephone: (416) 593-3682

Alberta Securities Commission
4th Floor, 300 – 5th Avenue SW
Calgary, AB T2P 3C4
Telephone: 1-877-355-0585

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Telephone: (204) 945-2548

Saskatchewan Financial Services Commission
6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Telephone: (306) 787-5879

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB E2L 2J2
Telephone: (506) 658-3060

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Bldg.
1690 Hollis Street
Halifax, NS B3J 3J9
Telephone: (902) 424-7768

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Bldg.
PO Box 2000
Charlottetown, PEI C1A 7N8

Government of Newfoundland & Labrador
Financial Services Regulation Division
PO Box 8700, 2nd Floor West Block
Prince Philip Drive

Telephone: (902) 368-4569

St. John's NFLD A1B 4J6
(709) 729-4189

Autorite des marches financiers
800, Square Victoria, 22e etage
Montreal, QC H4Z 1G3
Telephone: (514) 395-0337

Government of Yukon
Dept. of Community Services
3rd Floor, 2130 Second Avenue
Whitehorse, YT Y1A 5H6
Telephone: (867) 667-5314

Government of NWT
Office of the Superintendent of
Securities
PO Box 1320
Yellowknife, NT X1A 2L9
Telephone: (867) 920-8984

Government of Nunavut
Dept. of Justice – Legal Registries
Div.
PO Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6190

EXHIBIT III

REPRESENTATION LETTER NI-45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND YUKON RESIDENTS

The undersigned (the “Subscriber”) hereby confirms and certifies to HCM VENTURES (VCC) INC. that the Subscriber is purchasing the Shares as principal, that the Subscriber is resident in the jurisdiction set out below and that the Subscriber is: **[check appropriate boxes]**

☐

an “Eligible Investor”, being a person whose **[circle one or more]**

- (i) net assets, alone or with a spouse, in the case of an individual, exceed CDN\$400,000,
- (ii) net income before taxes exceeded CDN\$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
- (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded CDN\$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,

☐

a person of which a majority of the voting securities are beneficially owned by Eligible Investors or a majority of the directors are Eligible Investors,

☐

a general partnership in which all of the partners are Eligible Investors,

☐

a limited partnership in which the majority of the general partners are Eligible Investors,

☐

a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are Eligible Investors,

☐

an accredited investor (as defined in NI 45-106), and has completed

☐

a person who is a family member, close personal friend or close business associate as described in section 2.5 of NI 45-106,

☐

a person that has obtained advice regarding the suitability of the investment and, if the person is in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser (as defined in NI 45-106).

EXECUTED by the Subscriber this _____ day of _____ 20 ____.

If a Corporation, Partnership or other entity: **If an Individual:**

Signature of authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction of Residence

Jurisdiction of Residence

EXHIBIT IV



**PROVINCE OF
BRITISH COLUMBIA**
Toll Free: 1-800-665-6597
Phone: (250) 952-0136
Fax: (250) 952-0371
Email: ecp@tbc.gov.bc.ca

SHARE PURCHASE REPORT

Freedom of Information and Protection of Privacy Act (FIPPA) The information collected on this form is collected under the authority of the **Small Business Venture Capital Act, RSBC 1996 c. 429** (Act) and is subject to the provisions of the FIPPA. The personal information will be used for the administration of the Act and the issuance of tax credits. For more information regarding this form and the FIPPA please contact the **Investment Capital Branch, Box 9800 Stn Prov Govt, Victoria, B.C. V8W 9W1**

To be completed by the investor. Please print clearly and legibly.

Name of Venture Capital Corporation (VCC)		
HCM VENTURES (VCC) INC.		
Social Insurance Number (SIN) of the Individual Investor or or Business Number (9-Digits) of the Corporate Investor		
- -		
Failure to complete this section with accurate information may prevent a tax credit certificate from being issued.		
Full Legal Name of the Individual or Corporate Investor (This name must appear on the share certificate)		
Legal Last name (or Corporate Name)		
Legal First Name		
Legal Middle Name		
Full Address of Investor (Residential address for individual investor or place of business of corporation)		
Street Address	Province	
City	Postal Code	
Phone Number	() -	
Amount Paid for Shares		\$.
Number of Shares Purchased		
Share Certificate Class		
Name on Share Certificate (if the shares are registered in the name of Retirement Savings Plan (RSP) Trustee, Tax Free Savings Account (TFSA) or in joint names)		
Investment Date		

CERTIFICATION

I, the undersigned, do hereby certify that:

As at the investment date noted above, I am an individual resident in British Columbia OR I am an authorized signing officer of a corporation which has a place of business or permanent establishment in British Columbia;

- no tax credit has been previously allowed or paid for the Shares;
- the Shares were acquired for cash consideration directly from the VCC or its agent, and the Shares have been fully paid for in cash;
- the Shares purchased do not carry rights or restrictions prohibited by the *Small Business Venture Capital Act* and *Regulation*;
- I have not received any financial assistance to purchase these Shares from the VCC or any business that the VCC has invested in or any affiliate of the VCC or business;
- I am the beneficial and registered owner of the Shares (except as noted on the share certificate); and
- all information set out above is true and correct.

I am aware that the Province of British Columbia in no way guarantees the value of any shares issued by an EBC or VCC registered under the *Small Business Venture Capital Act* nor does it in any way express an opinion as to the financial condition of the issuing company or the merits of an investment in shares of the issuing company.

I am aware that the information provided on this form will be used to issue a tax credit certificate and may be shared with Canada Revenue Agency.

Signature of Investor	Printed Name of Investor	Date
-----------------------	--------------------------	------

EXHIBIT V

RESPRESENTATION LETTER - ACCREDITED INVESTOR

TO: HCM Ventures (VCC) Inc. (the "Corporation")

Reference is made to the subscription agreement (the "**Subscription Agreement**") between the Corporation and the undersigned. Capitalized words used herein and not otherwise defined shall have the meaning ascribed thereto in the Subscription Agreement.

In connection with the purchase of Common Shares by the undersigned subscriber or, if applicable, any Disclosed Principal on whose behalf such subscriber is contracting (the "**Subscriber**"), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation:

1. The Subscriber is resident in or otherwise subject to applicable securities law of a province of Canada;
2. the Subscriber is either (a) purchasing the Common Shares as principal for its own account, (b) deemed to be purchasing the Commons Shares as principal in accordance with section 2.3(2) or 2.3(4) of NI 45-106, or (c) acting as agent for a Disclosed Principal who is purchasing the Common Shares as principal for its own account;
3. the Subscriber is an "accredited investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in **Appendix "A"** to this **Exhibit V** and, if required by the instructions contained in Appendix "A", has completed **Appendix "B"** and **Appendix "C"** to this **Exhibit V**;
4. the Subscriber was not created, and is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; and
5. upon execution of this **Exhibit V** by the Subscriber, this **Exhibit V** shall be incorporated into and form a part of the Subscription Agreement.

The foregoing representations, warranties and covenants will be true and correct both as of the execution of this document and as of the time of closing and will survive the completion of the issuance of the Common Shares.

DATED _____.

Name of Subscriber (please print)

By: _____
Authorized Signature

Official Title or Capacity (please print)

Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

APPENDIX "A" TO EXHIBIT V
TO BE COMPLETED BY ACCREDITED INVESTORS

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY TO WHICH YOU BELONG

Please complete the Representation Letter to the Corporation by marking your initials beside the category of "accredited investor" to which you belong:

"accredited investor" is defined in Section 1.1 of NI 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:

- ☐ (a) a Canadian financial institution, or a Schedule III bank;
- ☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- ☐ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- ☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- ☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- ☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- ☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- ☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- ☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- ☐ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- ☐ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000, (where "**financial assets**" means cash, securities term deposits and the cash value of life insurance policies, but excluding real estate and other non-financial assets, and "**related liabilities**" means liabilities incurred or assumed for the purposes of financing the acquisition or ownership of financial assets or liabilities that are secured by financial assets);

[If this paragraph (j) applies, Subscriber must complete Appendix B – Form 45-106F9 *Risk Acknowledgment Form for Certain Accredited Investors* and the Accredited Investor Questionnaire attached as Appendix "C" to this Exhibit V]

- ☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;

[If this paragraph (j.1) applies, Subscriber must complete Appendix B – Form 45-106F9 *Risk Acknowledgment Form for Certain Accredited Investors* and the Accredited Investor Questionnaire attached as Appendix “C” to this Exhibit V]

- ☐ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

[If this paragraph (k) applies, Subscriber must complete Appendix B – Form 45-106F9 *Risk Acknowledgment Form for Certain Accredited Investors* and the Accredited Investor Questionnaire attached as Appendix “C” to this Exhibit V]

- ☐ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
[If this paragraph (l) applies, Subscriber must complete Appendix B – Form 45-106F9 *Risk Acknowledgment Form for Certain Accredited Investors* and the Accredited Investor Questionnaire attached as Appendix “C” to this Exhibit V]

- ☐ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;

- ☐ (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] and 2.19 [*Additional investment in investment funds*] of NI 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106;

- ☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

- ☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

- ☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

- ☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

- ☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

- ☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

- ☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

- ☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or

- ☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

- (a) **"Canadian financial institution"** means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) **"control person"** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds (i) a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or (ii) more than 20% of the outstanding voting securities of the Company except where there is evidence showing that the holding of those securities does not affect materially the control of the Company;
- (c) **"entity"** means a company, syndicate, partnership, trust or unincorporated organization;
- (d) **"financial assets"** means cash, securities, or any a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (e) **"founder"** means, in respect of the Company, a person who, (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Company, and (ii) at the time of the trade is actively involved in the business of the Company;
- (f) **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (g) **"investment fund"** means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments;
- (h) **"mutual fund"** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer;
- (i) **"non-redeemable investment fund"** means an issuer,
- (i) whose primary purpose is to invest money provided by its securityholders,
- (ii) that does not invest (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (iii) that is not a mutual fund;
- (j) **"related liabilities"** means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets;
- (k) **"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (l) **"spouse"** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a

marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(m) “**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.

In NI 45-106 a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

APPENDIX “B” TO EXHIBIT V

RISK ACKNOWLEDGMENT FORM (FORM 45-106F9) FOR CERTAIN ACCREDITED INVESTORS

This form must be completed by “accredited investors” who have checked boxes (j), (k) or (l) of Appendix “A”, and by any other accredited investors that the Corporation directs to complete this form.

WARNING!

This investment is risky. Do not invest unless you can afford to lose all the money you pay for this investment.

Section 1 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of Securities: Voting Common Shares	Issuer: HCM Ventures (VCC) Inc. (the “ Issuer ”)
Purchased from: The Issuer	
Sections 2 to 4 – TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your Initials
Risk of loss – You could lose your entire investment of \$ _____ [Insert total dollar amount of the Investment]	
Liquidity risk – You may not be able to sell your investments quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your Initials
<ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> Your net income before taxes combined with your spouse’s was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and Last Name (please print):	
Signature:	
Date:	
Section 5 – TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the Issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and Last Name of Salesperson (please print):	
Telephone:	Email:
Name of Firm (if registered):	
Section 6 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>For more information about this investment / the Issuer:</p> <p>HCM Ventures (VCC) Inc. 301-1665 Ellis Street Kelowna, BC V1Y 2B3 Contact: Glen Vause</p> <p>Phone: 604.790.9387 Email: info@hcmventures.vc</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

APPENDIX “C” TO EXHIBIT V

ACCREDITED INVESTOR QUESTIONNAIRE

The Subscriber understands that the Corporation and its counsel are relying upon the accuracy and completeness of the information provided in the Questionnaire in order to determine whether the Subscriber qualifies for the “accredited investor” prospectus exemption in compliance with NI 45-106.

ACCORDINGLY, THE SUBSCRIBER IS OBLIGATED TO READ THE QUESTIONNAIRE CAREFULLY AND TO ANSWER THE ITEMS CONTAINED HEREIN COMPLETELY AND ACCURATELY.

The Subscriber understands that this Questionnaire is merely a request for information and is not an offer to sell, a solicitation of an offer to buy, or a sale of securities. The Subscriber also understands that the Subscriber may be required to furnish additional information.

PLEASE NOTE THE FOLLOWING INSTRUCTIONS BEFORE COMPLETING THIS QUESTIONNAIRE.

Unless instructed otherwise, the Subscriber must answer each question on the Questionnaire. If the answer to a particular question is “None” or “Not Applicable,” please so state. If the Questionnaire does not provide sufficient space to answer a question, please attach a separate schedule to your executed Questionnaire that indicates which question is being answered thereon.

1. Personal Data

Name: _____

Address: _____

Telephone Number: _____

E-Mail Address: _____

2. Employment and Business Experience

Present occupation: _____

Name and type of business employed by or owned: _____

Present title or position: _____

3. Financial Information

INCOME TEST

If relying on (k) of Appendix “A” to Exhibit V, your annual net income before taxes (all sources), as shown on each of your two (2) most recent income tax returns:

Most recent calendar year: ☐ Less than \$49,000 ☐ \$50,000 – \$99,999 ☐ \$100,000 – \$149,999 ☐ \$150,000 – \$199,999
☐ \$200,000 – \$299,999 ☐ \$300,000 – \$399,999 ☐ \$400,000 – \$499,999 ☐ Greater than \$500,000

Prior calendar year: ☐ Less than \$49,000 ☐ \$50,000 – \$99,999 ☐ \$100,000 – \$149,999 ☐ \$150,000 – \$199,999
☐ \$200,000 – \$299,999 ☐ \$300,000 – \$399,999 ☐ \$400,000 – \$499,999 ☐ Greater than \$500,000

If relying on (k) of Appendix “A” to Exhibit V, and your annual net income before taxes (all sources), as shown on each of your two (2) most recent income tax returns, is less than or equal to \$200,000 in each of the two (2) most recent calendar years, your spouse’s annual net income before taxes (all sources), as shown on your spouse’s two (2) most recent income tax returns:

Most recent calendar year: ☐ Less than \$49,000 ☐ \$50,000 – \$99,999 ☐ \$100,000 – \$149,999 ☐ \$150,000 – \$199,999
☐ \$200,000 – \$299,999 ☐ \$300,000 – \$399,999 ☐ \$400,000 – \$499,999 ☐ Greater than \$500,000

Prior calendar year: ☐ Less than \$49,000 ☐ \$50,000 – \$99,999 ☐ \$100,000 – \$149,999 ☐ \$150,000 – \$199,999
☐ \$200,000 – \$299,999 ☐ \$300,000 – \$399,999 ☐ \$400,000 – \$499,999 ☐ Greater than \$500,000

FINANCIAL ASSET TEST

Where used herein:

“financial assets” means cash, securities or a contract of insurance, a deposit or evidence of deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser’s personal residence would not be included in a calculation of financial assets.

“related liabilities” means: (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets.

If relying on (j) or (j.1) of Appendix “A” to Exhibit V, your estimated financial assets net of related liabilities:

☐ Less than \$249,999 ☐ \$250,000 – \$499,999 ☐ \$500,000 – \$749,999 ☐ \$750,000 – \$1,000,000 ☐ \$1,000,001 – \$3,000,000
☐ \$3,000,001 – \$5,000,000 ☐ Greater than \$5 million

If relying on (j) or (j.1) of Appendix “A” to Exhibit V, and your estimated financial assets net of related liabilities is less than or equal to \$1,000,000, your spouse’s estimated financial assets net of related liabilities:

☐ Less than \$249,999 ☐ \$250,000 – \$499,999 ☐ \$500,000 – \$749,999 ☐ \$750,000 – \$1,000,000 ☐ Greater than \$1 million

NET ASSET TEST

Where used herein:

“net assets” means all of the subscriber’s total assets minus all of the subscriber’s total liabilities, and those of the subscriber’s spouse if the subscriber’s spouse’s total net assets are being included to satisfy category (I) of the accredited investor definition. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a subscriber’s personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the subscriber’s personal residence. To calculate a subscriber’s net assets, subtract the subscriber’s total liabilities from the subscriber’s total assets (including real estate). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the security.

If relying on (I) of Appendix “A” to Exhibit V, your estimated total net assets:

☐ Less than \$499,999 ☐ \$500,000 – \$999,999 ☐ \$1,000,000 – \$1,999,999 ☐ \$2,000,000 – \$2,999,999
☐ \$3,000,000 – \$3,999,999 ☐ \$4,000,000 – \$4,999,999 ☐ \$5 million or more

If relying on (I) of Appendix “A” to Exhibit V, and your estimated total net assets is less than \$5,000,000, your spouse’s estimated net assets:

☐ Less than \$499,999 ☐ \$500,000 – \$999,999 ☐ \$1,000,000 – \$1,999,999 ☐ \$2,000,000 – \$2,999,999
☐ \$3,000,000 – \$3,999,999 ☐ \$4,000,000 – \$4,999,999 ☐ \$5 million or more

Subscriber

Name (Please print or type)

Signature

Date

Spouse (if applicable)

Name (Please print or type)

Signature

Date

EXHIBIT VI

CONSULTANT COMPENSATION SUMMARY

1. All compensation and expenses payable to a Consultant will be subject to applicable provisions of the SBVC Act and the regulations thereunder.
2. Subject to the SBVC Act, the Corporation will reimburse the Consultant for all reasonable out-of-pocket expenses incurred by the Consultant in the course of providing services to the Corporation.
3. The Corporation may agree to pay a success fee to the Consultant to an aggregate maximum of 25% of the amount by which the gross return (including any capital gains, dividends and other distributions) realized by the Corporation from all investments made by the Corporation in its investee companies exceeds the aggregate amount of all investments made by the Corporation in all of its investee companies; provided, however, that where the gross return includes non-cash items (including, without limitation, securities of another issuer), the gross return shall be calculated on the basis of the actual gross cash proceeds ultimately realized by the Corporation upon the disposition of such non-cash items for cash proceeds.
4. Except for the reimbursement of expenses under paragraph 2 and the success fee under paragraph 3 (plus applicable taxes), no other compensation shall be payable to any Consultant.

EXHIBIT VII

Schedule 1

Classification of Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption		
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.		
A. You are an eligible investor because:		Your Initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with a spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	
B. You are an eligible investor, as a person described in section 2.3 [Accredited Investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario) because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$300,000 in the current calendar year.	
	Either alone or with a spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with a spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
Family, Friends and Business Associates	You are: 1) <i>[check all applicable boxes]</i> <input type="checkbox"/> a director of the issuer or an affiliate of the issuer <input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer <input type="checkbox"/> a control person of the issuer or an affiliate of the issuer <input type="checkbox"/> a founder of the issuer	

	<p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p><i>[Instruction: insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____.</i></p>	
	<p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____</p> <p><i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____</p> <p><i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____</p> <p>You have known that person for _____ years.</p>	
<p>D. You are not an eligible investor.</p>		<p>Your Initials</p>
<p>Not an Eligible Investor</p>	<p>You acknowledge that you are not an eligible investor.</p>	

EXHIBIT VIII

Schedule 2

Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your Initials
Eligible Investor	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [Accredited Investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited Investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.	

D. You are not an eligible investor.		Your Initials
Not an Eligible Investor	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]	
First and last name of registrant (please print):	
Registered as: [Instruction: indicate whether registered as a dealing representative or advising representative]	
Telephone:	Email:
Name of firm: [Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]	
Date:	