

Form 45-106F2
Offering Memorandum for Non-Qualifying Issuers

Dated: May 10, 2021.

The Issuer

Name: **Finjoy Inc. (the “Corporation”)**
Head Office: Address: 1050-1641 Lonsdale Avenue, North Vancouver, British Columbia V7M 2J5
Phone #: 604-724-8987
E-mail address: info@finjoy.ca

Currently Listed or Quoted: **No. These securities do not trade on any exchange or market.**
Reporting Issuer: No.
SEDAR Filer: Yes.

The Offering

Securities offered: Up to 5,000,000 Series 1 Class A Preferred shares without par value in the capital of the Corporation (the “**Preferred Shares**”), and up to \$5,000,000 in unsecured convertible promissory notes of the Corporation (“**Convertible Notes**”). The aggregate amount the Corporation will raise under the Offering by issuance of Preferred Shares and Convertible Notes is up to \$5,000,000 pursuant to the Offering Memorandum.

Price per Preferred Share: \$1.00 per Preferred Share.

Minimum/Maximum offering: The Minimum Offering is \$200,000 and the Maximum Offering is \$5,000,000. The Corporation raised \$599,497 under the Offering. **Funds available under the Offering may not be sufficient to accomplish our objectives.** See item 8.

Minimum subscription amount: Unless as otherwise approved by the Corporation in exceptional circumstances, the minimum subscription amount for purchase of Preferred Shares and/or a Convertible Note is \$10,000, and a Subscriber can subscribe for both Preferred Shares and a Convertible Note totalling \$10,000.

Payment terms: Payment to be made to the Corporation by certified cheque, bank draft or wire transfer, concurrently with the delivery of a duly executed and completed Subscription Agreement or Convertible Note, as applicable, and other related documents as set out in this Offering Memorandum. See item 5.

Proposed closing date(s): Closing of the Offering will take place in tranches. Corporation has completed four prior closings to raise an aggregate of \$599,497.

Income tax consequences: There are important tax consequences to these securities. See item 6.

Selling agent? No. The Corporation has not appointed a selling agent for the Offering but reserves the right to retain one or more selling agents during the course of Offering.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See item 10.

Purchaser’s rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

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GLOSSARY OF TERMS

“Alberta Securities Act”	means the <i>Alberta Securities Act</i> , RSA 2000, c S-4, and any regulations or amendments thereto;
“Accredited Investor Certificate”	means the certificate attached as Schedule C to this Offering Memorandum;
“Assets”	means assets of Flexfi purchased by the Corporation on pursuant to a purchase agreement dated September 25, 2019 and consummated on January 23, 2020, as described in detail in Section 2.7, below;
“BCSC”	means the British Columbia Securities Commission;
“BC Securities Act”	means the British Columbia <i>Securities Act</i> , RSBC 1996, c 418, and any regulations or amendments thereto;
“Cash Consideration”	means the \$460,000 payable to Flexfi Creditors, as more particularly described in Section 2.7 under the heading “Material Agreements”;
“Consideration Shares”	means Series 2 Class A Preferred shares of the Corporation equal to 20% of the issued and outstanding shares of the Corporation after the completion of the Offering, as more particularly described in Section 2.7 under the heading “Material Agreements”;
“Corporation”	means Finjoy Inc., a corporation duly incorporated under the laws of Canada;
“Convertible Note” or “Note”	means the unsecured convertible promissory notes of the Corporation issued under the Offering in the form attached as Schedule “A-1” to this Offering Memorandum;
“Fintech”	means financial technology;
“FlexFi”	means FlexFi Inc., a corporation duly continued under the laws of Canada;
“Flexfi Creditors”	means the creditors of Flexfi who are entitled to the Cash Consideration and the Consideration Shares as more particularly described in Section 2.7 under the heading “Material Agreements”;
“Issue Price”	means \$1.00 per Preferred Share;
“Maximum Offering”	means the Offering of a maximum of up to an aggregate of up to \$5,000,000 from the sale of Preferred Shares and/or Convertible Notes;
“Minimum Offering”	means the Offering of a minimum of \$200,000 from the sale of Preferred Shares and/or Convertible Notes;
“Offering”	means the aggregate offering of up to \$5,000,000 in Preferred Shares and Convertible Notes under this Offering Memorandum;
“Offering Memorandum”	means this offering memorandum of the Corporation originally dated and effective November 15, 2019, as amended on March 26, 2020 and as further amended on May 10, 2021.
“Ontario Securities Act”	means the Ontario <i>Securities Act</i> , RSO 1990, c S.5, and any regulations or amendments thereto;

“Preferred Shares”	means Series 1 Class A Preferred shares in the capital of the Corporation issued under the Offering to Subscribers and Series 2 Class A Preferred Shares of the Corporation issued to the Flexfi Creditors, having the rights, privileges and preferences in the form attached as Schedule “A-2”.
“Risk Acknowledgment Form”	means Form 45-106F4 as prescribed by securities legislation and also attached as Schedule B to this Offering Memorandum;
“RRSP”	means a retirement savings plan registered pursuant to the Tax Act;
“Securities”	Means the Preferred Shares or the Convertible Notes issued pursuant to this Offering Memorandum;
“SEDAR”	means the System for Electronic Document Analysis and Retrieval;
“Services Agreement”	Means the services agreement between Flexfi Inc. and the Corporation as described in Section 2.7 under the heading “Material Agreements”.
“Shareholder”	means a Subscriber for Preferred Shares whose subscription is accepted by the Corporation and any individual, corporation or entity who acquires any one or more Preferred Shares on a subsequent transfer from a Shareholder, including for clarity any Subscriber of a Convertible Note as of the time of conversion of its Convertible Note into Preferred Shares under this Offering;
“Subscriber”	means a subscriber for Preferred Shares or a Convertible Note pursuant to this Offering Memorandum;
“Subscription Agreement”	means the subscription agreement, which is attached as Schedule “A” to this Offering Memorandum, pursuant to which a Subscriber agrees to purchase Securities;
“Subscription Amount”	means the aggregate value of the Offering in an amount up to \$5,000,000;
“Tax Act”	means the Canadian <i>Income Tax Act</i> , RSC 1985, c 1 (5th Suppl) and any regulations or amendments thereto; and
\$	means Canadian dollars.

1. USE OF AVAILABLE FUNDS

1.1 Funds

The funds available as a result of the Offering will be as follows:

	Assuming Min. Offering	Assuming Max. Offering
A. Amount to be raised by this Offering	\$200,000*	\$5,000,000
B. Selling commissions and fees	\$14,000**	\$350,000**
C. Estimated offering costs (e.g. legal, accounting, audit.)	\$50,000	\$100,000
D. Available funds: D = A - (B + C)	\$136,000	\$4,550,000
E. Additional sources of funding required	NIL	NIL
F. Total: D + E	\$136,000	\$4,550,000

* The Corporation has reached the minimum offering amount. The Corporation has raised \$599,497 prior to date of this Offering Memorandum.

** The Corporation may engage one or more agents in respect of the Offering or may pay selling commissions or fees as set out in Row B. The total amount to be raised under the Offering as set it in Row A assumes that selling commissions or fees will be paid. If selling commissions or fees are not required to be paid by the Corporation, the available funds in Row D and the Total in Row F will be increased by the amount of selling commissions or fees not paid.

1.2 Use of the Available Funds

The Corporation will use the available funds as follows:

Description of intended use of available funds listed in order of priority	Assuming Min. Offering	Assuming Max. Offering
Purchase of Assets	\$0	\$ 460,000*
Funds reserved for Lending	\$0	\$ 2,790,000
Marketing	\$0	\$ 250,000
Technology development	\$0	\$ 150,000
Operations and Wages	\$ 136,000	\$ 900,000
	\$136,000	\$ 4,550,000

* As described in more detail in Section 2.7 below, the Corporation purchased the Assets in order to carry on its business as contemplated in this Offering Memorandum. The Corporation paid the following amounts in respect of the purchased Assets: \$160,000 on March 31, 2020, \$80,000 on June 2, 2020, \$70,000 on June

29, 2020, \$75,000 on September 18, 2020, \$10,000 on November 30, 2020 and \$25,000 on February 3, 2020. The Corporation has an agreement in place with the representative of the vendor to pay the remaining balance of \$40,000 on May 31, 2021.

The payment obligation of the Corporation to the Flexfi Creditors in respect of the Assets purchased is a secured obligation of the Corporation, meaning that the Flexfi Creditors have the ability to claim a portion of the Assets having a value equal to the amounts owed in satisfaction of the amount owed to them.

There is no guarantee that the Corporation will have sufficient operating revenue or be able to raise sufficient funds under the Offering to pay for the Assets.

If less than the Maximum Offering is raised, the Corporation will reduce the amount of loans that it will issue to its customers and likely spend less on technology development, operations, marketing and other business development activities. The apportionment of funding raised between the categories of expenditures noted above will be evaluated by the Corporation once the Corporation has certainty of the amount raised under the Offering and the determination of the Board of Directors of the Corporation as to the best use of available funds.

The Corporation will use the available funds, after payment of expenses and purchase of the Assets to grow its operations, including funding working capital requirements, technology development, sales and marketing and to fund new loans.

1.3 Reallocation

The Corporation does not intend on spending the net proceeds for any other reason other than as indicated in this Offering Memorandum.

1.4 Working Capital Deficiency

If the Maximum Offering amount is not reached, the Corporation will likely have a working capital deficiency as it advances its business objectives and will explore debt and equity financing options to fund the Corporation's requirements, which may require the Corporation to sell additional securities or obtain debt financing. The Corporation makes no representation and does not warrant that if the Maximum Offering is reached, the Corporation will not have working capital deficiency or that the Corporation will be able to achieve its objectives.

Please refer to the audited financial statements of Flexfi for the period ended August 31, 2019, attached and the audited financial statements of Finjoy for the period ended August 31, 2020, attached.

The Flexfi business that was operated by Flexi Inc, using the Assets purchased had revenues of \$433,453 and a net loss of \$1,974,903 for the fiscal year ended August 31, 2019 and revenues of \$78,239 and net income of \$4,132,760 for the fiscal year ended August 31, 2020. The net income of Flexfi for the fiscal year ended August 31, 2020 is due to gain on settlement of debt in the amount of \$4,242,232.

Finjoy has revenues of \$21,733 for the fiscal year ended August 31, 2020 and a net loss of \$1,637,067 of which \$1,306,217 is attributed to impairment of good will, arising from the Preferred shares issued to creditors of Flexi as share consideration for the purchased Assets.

The Corporation is operating its business differently than Flexfi operated its business and the Corporation is not able to speculate as to its expected working capital deficiency. Whether the Corporation will have working capital deficiency in the future is dependent on a number of factors, including but not limited to: (a) ability of the Corporation to obtain sufficient customers for its loan offering portfolio; (b) operating

costs and overhead expenses; (c) whether customers default on repayment of their loans and ability of the Corporation to recover the amounts defaulted; (d) market conditions; (e) competition; (f) ability of the Corporation to expand its technology and lending platforms to be responsive to customer preferences; and (g) the Corporation's access to necessary capital to fund business operations. Please refer to Section 8 - Risk Factors for additional risk considerations.

2 BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation is a Canadian federal corporation incorporated under the *Canada Business Corporations Act* on November 23, 2018 and is extra-provincially registered in all jurisdictions the Corporation offers its loan products and services. It is the Corporation's expectation that the Corporation will be extra-provincially registered in Alberta, Manitoba and Ontario in addition to its current extra-provincial registration in British Columbia.

2.2 Our Business

The Corporation was set up to acquire the Assets (see detailed list of Assets in Section 2.7 under the heading "Assets Acquired") and to carry on the business formerly carried on by Flexfi, being to provide consumer loans having an average value of \$2,500 per loan to customers who either have no access to bank loans, or who prefer the convenience of dealing with an online lender.

The objective of the Corporation is to leverage the FlexFi Assets and make improvements to the Flexfi business (through investing in the Corporation's technology platform and innovative product and service offerings over time) to offer consumer loans and other financial products to borrowers in various jurisdictions in Canada, initially in British Columbia and Ontario.

FlexFi developed and improved its lending and technology platform over a five-year period. Since 2013, FlexFi has originated in excess of five thousand four hundred (5,400) loans with a value of \$14.2 million and has in excess of eight thousand two hundred (8,200) applicants in its database.

The Corporation took over the existing loan portfolio of Flexfi upon purchasing the Assets from Flexfi on January 23, 2020, being the date of consummation of the transaction for the purchase of the Assets. The Corporation has entered into the Services Agreement as described in Section 2.7 under the heading "Material Agreements" to obtain transitional services from Flexfi to maximize operation efficiency.

Select key information about the loan portfolio of Flexfi are the following:

1. Average loan size of \$2,500
2. Majority of the loads have a maturity date of less than 1 year
2. Average interest rate currently in the range of 40% - 44% APR
3. Approximately 40% of loans are issued to previous customers
4. Highest monthly origination amount (amount lent out) of \$678,000 (August 2016)
5. Highest monthly cash inflow from loan repayments of \$522,000 (September 2016)
6. Acquisition cost per member / application of \$5.50 *
7. Acquisition cost per loan client of \$20**

For purposes of the above paragraph:

- * Based on 478 applications generated on average in a 6-month period and the associated marketing expense.
- ** Calculated based on a limited test marketing campaign in financial year 2018. 835 new loans were generated from a marketing expenditure of approximately \$17,000. (The \$17,000 is the direct cost spent on advertising. The total marketing and advertising expense for 2018 as per the audited financial statements is \$53,600).

The total loan portfolio of FlexFi that was acquired on January 23, 2020 had a face value of \$853,249.74 (principal and accrued interest payable). Since January 23, 2020, the Corporation has collected \$149,705.43 from customers holding loans of Flexfi and the Corporation has written off \$17,672.60 of the loans as the Corporation has determined that such loans are not collectible.

One of the key factors resulting in the decline in financial performance was as a result of Flexfi not having the ability to raise capital to issue more loans and grow the loan portfolio due to restrictions imposed by BCSC on Flexfi and Afshin Ardalan to raise capital which would have enabled Flexfi to issue more loan and generate revenue to offset expenses. These restrictions were imposed by BCSC on Flexfi and Afshin Ardalan as it was determined by BCSC that Flexfi issued securities to investors of Flexfi where an appropriate exemption from prospectus requirements was not available and that such investors were not adequately informed of the nature of the investment they were making or understands the risks associated with such investments.

It is the Corporation's expectation that raising capital under the Offering will enable more loans to be issued, resulting in greater revenues and as a result reduction of losses. While the Corporation's business is very similar (at least initially) to Flexfi's business, the Corporation intends to carry out its business processes differently to have a better chance of success and to become a profitable business. A few of the key differences in the Corporation's business are:

1. The Corporation intends to utilize the learnings of the staff of Flexfi to operate its business digitally from the start. This is expected to result in greater efficiency, greater ability to generate volumes, and better credit evaluation of applicants.
2. Unlike Flexfi, the Corporation intends to offer complementary financial products in addition to loans. These are discussed in 2.3 under Diversification and are expected to provide additional revenue streams.
3. Flexfi made material investments to build its technology platform. The Corporation is inheriting this technology platform without having to incur the development costs.

Business Vision

The Corporation's vision is to achieve high growth by offering consumer loans and other financial products to customers who are for various reasons not adequately served by banks.

The Online Lending Market

The Canadian consumer loan market represents a growing and changing marketplace. In the recent past, as banks have tightened their lending criteria, more and more customers are finding it difficult to obtain bank loans. As a result, demand for loans from alternative providers has increased. An increasing part of this demand is being met by online lenders who are able to provide more convenient and faster service by leveraging technology and sound business practices.

It is generally accepted that the market share and the prevalence of online lenders is expected to increase, as they offer broader financial services. The Corporation is of the view that the following factors will determine the success of companies in the similar business as the Corporation:

- Ease and speed of loan application and approval process
- Brand recognition and reputation
- Loan interest rates and other features
- Innovative and a comprehensive range of financial product offerings
- Scalable and flexible technology platform
- Accuracy and efficiency of credit model

The Corporation is of the view that the platform developed and in use by FlexFi, including the various process automations, will enable the Corporation to operate efficiently, with competitive rates and higher borrower satisfaction.

Regions of Operation

The Corporation intends to initially offer its products and services in the provinces of British Columbia, Alberta, Manitoba, and Ontario.

Technological Platform

The technology platform purchased as part of the Assets is well suited to the purpose of operating and growing an online lending business. This online and technology platform seeks to serve Canadian consumers by providing flexible credit solutions, regardless of credit rating. This platform is characterised by following key areas of focus:

Accessible and User Friendly – The platform is user friendly and provides online and mobile access which the consumer can use from the comfort of their homes and without an in-person visit. Having a customer-centric approach requires providing customers with a high degree of usability, facilitated by a positive consumer experience and self-service.

Speed – The online application takes less than 3 minutes to complete. The lending documentation generated through the platform are signed digitally, and the funding can be processed as soon as the same business day.

Affordability – The platform allows for loans to be offered to consumers regardless of credit scores and at competitive rates. In addition, “The Excel Program” which is designed to reward repeat customers with good payment history, gives customers a chance to save on interest rates.

Automation – The platform is a scalable, end-to-end platform that addresses nearly all aspects of customer acquisition, engagement and servicing. Ensuring a quick and appropriate process requires streamlining the process to avoid unnecessary steps for the customers.

Analytics based – A key feature of this platform is the integration of analytics into the overall flow. This facilitates gaining of insights into the various operations areas, and customer experience.

The technology platform is integrated into all aspects of the Corporation’s business. The data that is generated is monitored and facilitates a continuous refinement and improvement of the business. This data plays a vital role in the underwriting (credit quality) and marketing functions. The performance of the loans is thus analyzed against several metrics – thus increasing customer engagement by better targeting, reducing

delinquency by improving the underwriting model and identifying new market segments and revenue sources.

Some key components of the platform include:

Marketing – The Corporation relies on technology, including a presence on social media, content marketing, and digital advertising to promote its business. An example of its marketing content promoted in this way is financial educational content, developed in house and targeted at the customer base. These efforts generate consumer interest in its financial products and services while converting and retaining borrowers, as well as building brand awareness in the financial markets.

Origination - This is the process of generating applications and converting them into customers. The Corporation relies on technology to accomplish this. An example of this is the digital application process. The application process that is part of the platform offers an automated streamlined online application that the average customer can complete in as little as 3 minutes.

Underwriting - This is the process of deciding which applications to approve. Technology plays a key role in this area. Based on internal and external data generated from thousands of loan applications, an algorithm has been developed that identifies the level of risk associated with any given loan application. The data, consisting of thousands of data points for any given application, that is analyzed by the algorithms includes income, employment status, length of employment, comprehensive credit bureau information, debt service ratios, banking details, and fraud warnings. The data is then fed into the underwriting model with evaluates the data using close to a hundred different indicators and provides a recommendation as to whether a loan application should be accepted or not, what interest rate should be offered, and what amount.

Servicing and collections - Loan servicing is comprised of customer/account maintenance, collections, and processing payments from the borrower. Upon loan origination, a loan repayment schedule is established to coincide with the customer's pay dates, thereby reducing the likelihood of payment problems. This loan repayment process is automated in order to increase efficiency and customer bank accounts are automatically debited according to the applicable schedule.

Communication - Technology, including automated messages sent to customers through various platforms, is heavily used in communicating with customers for the purpose of servicing their loans or collecting overdue accounts.

The Corporation's focus is on improving the overall financial health of its clients rather than just provide a short-term solution. To this end, Corporation has a comprehensive financial education section comprising of helpful articles and tools designed to help clients get a better grasp of their finances. In addition, the Corporation reports consumer data to credit bureaus which has the potential of improving a client's credit rating.

Current and Prospective Competitors

The consumer lending market is beginning to change dramatically and with these changes there will continue to be increased competition and new entrants into the market.

Competitors include traditional financial institutions, such as banks, credit unions, credit card issuers, payday loan companies, other finance companies, online lenders and new market entrants. Among our competitors we can name companies such as Fairstone, Easy Financial, Mogo, Borrowell, and others.

EasyFinancial: EasyFinancial is the personal lending division of GoEasy (TSX: GSY) and one of Canada's leading providers of alternative finance operating mainly in the non-prime market. As per their own estimate, they represent 4% of Canada's non-prime, non-auto, non-major bank lending market. They provide unsecured loans up to \$15,000 and secured loans up to \$45,000 with rates ranging from 19.99%-46.96%. EasyFinancial was established in 2006 and currently has \$1.25 Billion in gross loan AR. EasyFinancial is still mainly retail based as 71% of their originations are retail based, however they are increasing their online presence. Their net charge-off rate as of 2020 was 10%.

Fairstone: Fairstone is Canada's leading non-bank lender operational since 1923 with more than 225 branches across Canada. As per EasyFinancial's estimate, Fairstone represents 8% of Canada's non-prime, non-auto, non-major bank lending market. Formerly known as CitiFinancial, Fairstone was bought by US Equity firm, JC Flowers and Co in 2017. At that time, the estimated assets of Fairstone was \$2.5bn. Fairstone provides both secured and unsecured loans up to \$35,000 and \$20,000 respectively with rates from 26.99% to 39.99%, and mortgage loans up to \$400,000. Like EasyFinancial, Fairstone is also mainly retail based as part of their application process may require a visit to one of their retail shops.

Mogo (TSX: Mogo): Founded in 2003 and IPO in 2015, Mogo is a Canadian Fintech company. Mogo has a wide range of financial products including personal loans, credit monitoring, prepaid Visa card, mobile mortgage platform and a mobile platform for trading bitcoins. This has resulted in a diversified stream of revenue for Mogo with subscription and service fees accounting for about 46% of their revenue. In 2020, Mogo sold a majority of their loan portfolio to Easyfinancial, and also entered into a lending partnership with them. As of Q4 2020, their net loan AR was \$47 Million.

Borrowell: Founded in 2014, Borrowell is another Canadian Fintech company specializing in credit education products like free credit scores and credit monitoring. Their main revenue source is from making product referrals like loans, credit cards and mortgages. As of 2021, they are no longer offering their own loans. In 2021, they raised \$25m, partially for the acquisition of Refresh Financial, a secured loan provider.

It is also possible that other new and established financial services companies, some of whom may possess large, existing customer bases and substantial financial resources, may enter the market in the future.

2.3 Development of Business

Investment Objective and Strategy

The Corporation's overarching goal is to be a leading Fintech company in Canada, offering loans and other financial products. The Corporation intends to pursue this objective by:

- **Continuously investing in the technology platform:** Continue investing in the technology platform. This includes continued improvement in the data sources, algorithms, and other elements of the platform to improve the speed and efficiency of the platform. The ongoing investment in the technology platform and capabilities are expected to be a key driver of growth by enabling better customer experience and lower costs.
- **Increasing the size of the loan portfolio:** Obtain adequate capital to meet market demand for loan products to generate revenue.
- **Offering new products:** Offer new products, in addition to consumer loans to existing customers and to new customers of the Corporation.

- **Expanding into new vertical markets:** Leverage the Corporation's platform to expand into new vertical markets, including mortgages for further growth.

Diversification

There is an unmet need in the market for financial services other than consumer loans that we can address. This will play an important part in the development of the Corporation. The Corporation has worked on developing a number of such initiatives, which include, but are not limited to:

- **Credit rebuild products:** An example of this is a type of secured loan which can help rebuild the credit profile of a customer. The features and details of this product have already been developed, and we expect to be able to launch it in late 2021. We anticipate offering this product to customers who may not qualify for the standard personal loan, thereby opening a new source of revenue.
- **Loan insurance:** A product that functions similarly to mortgage insurance and helps our customers insure themselves against certain adverse events that can prevent them from servicing their loans. The benefits of offering this product include a new revenue stream as well as protection against some loan defaults.
- **Secured and/or prepaid credit cards:** In some cases, such credit cards can help improve the credit profile of customers and/or improve their control over their spending.
- **Specialty consumer loans:** Special loans to pay for designated expense such as medical expenses. Some of these niche loans will be targeted at the prime segment of the market.
- **Mortgage brokerage:** Having access to the consumer loan customer base will enable the Corporation to also offer mortgage solutions to its customers. The Corporation does not contemplate becoming a mortgage lender. Rather, it plans to act as a broker, connecting its customer base with mortgage lenders and thereby generating commissions as a new revenue source, without assuming risks associated with mortgage lending. Relevant licenses will need to be obtained for this purpose.

In addition, opportunities related to other financial products are continuously assessed and the Corporation expects that it will need to continuously increase and refine its offering to address market needs.

2.4 Long Term Objectives

The Corporation's long term objective is to be established as a leading Fintech provider of online loans and related financial products in the markets we operate in to capitalize on the opportunities presented by the size of the financial services market in Canada and the trend among users towards increased interaction with Fintech companies.

To achieve this objective the Corporation will conduct its business with a view to generating at least 10,000 loans per year on an ongoing basis, maintaining a sub-10% delinquency rate in repayments, and providing best in class prompt and professional customer service to our loan client. In addition, the Corporation will need to continuously innovate and advance the Corporation's technology platform, systems, and range of offerings to be recognized as a leading provider of loans in the target market of the Corporation and compete with other providers of similar services in the future.

While there is no certainty as to whether the Corporation will be able to generate at least 10,000 loans per year, the Corporation believes that with a combination of broader product offerings, necessary capital being raised in the Offering carry out additional marketing to enable issuance of additional loans while utilizing better processes, the Corporation will be able to increase number of loans issued each year.

During the last five (5) years, the number of active loans of Flexfi and the number of new loans issued by Flexfi and now the Corporation were as follows:

Year	Average Active Loans	New Loans
FY2016	1551	1854
FY2017	1514	848
FY2018	1355	835
FY2019	1254	245
FY2020	342	33

During the same period, the delinquency rate of the loans issued is as set out in the table below.

Year	Write off Amount*	Gross Accounts Receivable (AR)	Delinquency Rate - total AR
FY2016	\$209,538	\$3,766,680	6%
FY2017	\$159,349	\$ 2,405,763	7%
FY2018	\$67,356	\$ 2,086,240	3%
FY2019	\$36,168	\$ 1,182,691	3%
FY2020	\$27,672	\$759,677**	4%

The Corporation measured delinquency based on the amount written off in one year. The Corporation intends to use the same measurement methodology on a go forward basis.

* The amount written off does not include the allowance for bad debt.

** The Corporation has classified \$672,293 of this amount as doubtful accounts that may in need to be written off. You may refer to note 6 of Finjoy's audited financial statements for further details.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Corporation's principal short-term objective over the next twelve (12) months is to complete the Offering and use the net proceeds to: (a) expand the Corporation's loan portfolio; (b) pay the remaining portion of the Cash Consideration for the purchase of the Assets described in Section 2.7 under the heading "Material Agreements" and complete the integration of the Assets in the Corporation's business; and (c) focus on technology development and marketing activities. The Corporation expects the Services Agreement will be terminated during this time.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
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The Corporation intends to raise capital pursuant to the Offering, to (a) expand the Corporation's loan portfolio; (b) pay the remaining portion of the Cash Consideration for the purchase of the Assets; and (c) focus on technology development and marketing activities.	Since the Corporation has an ongoing business development program, there is no target completion date for its business plan.	\$40,000 remaining balance to complete the purchase of the Assets. Business development costs and size of the loan portfolio will vary depending on the amount raised under the Offering. A such, there is no specific maximum cost to carry out its objectives as set out in this Offering Memorandum.
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2.6 Insufficient Funds

The proceeds of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives. There is no assurance that alternative or additional financing will be available.

2.7 Material Agreements

a) Assets Acquired

The Corporation entered into a Purchase Agreement with Flexfi on September 25, 2019 and consummated the purchase of the Assets on January 23, 2020 ("**Purchase Agreement**") to purchase all or substantially all assets of FlexFi ("**Assets**") to enable the operation of the business of the Corporation, initially in substantially the same manner as that provided by FlexFi. The assets purchased include by are not limited to:

1. Proprietary software and licensed software that make up the FlexFi Technological Platform (as described more fully below), including all intellectual property therein;
2. All customer contracts with borrowers that make up the loan portfolio of FlexFi, including all benefits and entitlements under the loan portfolio;
3. Certain contracts with suppliers; and
4. All intangible and tangible assets including but not limited to all business process documentation, marketing material, and customer lists that enable the carrying out of the FlexFi business as currently carried out.

Payment of Cash Consideration for purchase of Assets by the Corporation to Flexfi

The completion of the purchase of the Assets has been completed by payment of the Creditor Notes and issuance of the Consideration Shares to the Flexfi Creditors. On January 16, 2020, the Corporation issued the Consideration Shares to the Flexfi Creditors in respect of the Shares issued in the closing of the first tranche of the Offering. With closing of each additional tranche of the Offering, additional Consideration Shares will be issued to the Flexfi Creditors.

The Cash Consideration has been paid by way of issuance of promissory notes totalling \$460,000 (the "**Creditor Notes**"). To date \$420,000 of this amount has been paid and a balance of \$40,000 remains.

Details of the payments made are provided under section 1.2 Use of Available Funds. The Creditor Notes are secured by way of a general security interest granted by the Corporation in favour of the Flexfi Creditors.

The security granted means that if the Corporation is not able to pay a Creditor Note on the due date, the Flexfi Creditors can demand payment and if the Corporation is unable to pay within 10 days of the demand, the Flexfi Creditors can seek a court ordered process to exercise their security and seek to take the Assets as payment for the amounts due and payable. If the security is exercised, the Corporation may lose its right to the Assets and as a result will not be able to carry on the Business as set out in this Offering Memorandum.

b) Services Agreement

The Corporation entered into a services agreement with Flexfi on January 23, 2020 (the “**Services Agreement**”) for the purpose of Flexi providing certain services to the Corporation including provision of collection and administration services for active loans of the Corporation, provision of administration services for new loan originations, and provision of IT services required by the Corporation.

As consideration for the services to be provided by Flexfi, the Corporation has agreed to pay Flexfi a fee equal to: (a) all out of pocket third party costs (such as software licenses, subscriptions, IT related expenses, and admin and advertising expenses related to customer loans); and (b) a fee of \$4.00 for active loan per month for collection and administration services; and (c) \$8.00 per loan for provision of administration services for new loan origination; (d) IT services fee of \$1,000 per month; and (e) a one time set up fee of \$4,000.

3 INTEREST OF 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 Corporation and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a “**Principal Holder**”).

Name and municipality of principal residence	Positions Held and the date of obtaining that position	Compensation paid by the Corporation or related party since inception and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Corporation held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering.
Afshin Ardalan North Vancouver, BC	Director and Chief Executive Officer from November 23, 2018	\$96,000 on an annual basis in 2020	5,000,000 Common shares - 77% *	5,000,000 Common shares - 40% * **

* - This assumes that 100% of the Offering proceeds will be raised from sale of Preferred Shares.

3.2 Management Experience

The following is a summary of the principal occupations of the Corporation's director and executive officer over the past five years and his relevant experience.

Name	Principal Occupation and related experience
Afshin Ardalan, MBA Director, Chief Executive Officer	Mr. Ardalan's principal occupation is to serve as the Chief Executive Officer and a Director of the Corporation. He has over 20 years of experience in business development including setting up and managing branch offices for various multinational companies in all parts of the world with a particular focus on North America, Europe and Asia-Pacific. His experience includes working as a project manager at Nestle's international headquarters in Switzerland, the world's largest food and beverage company, where he outsourced projects with deal values in excess of \$100 million. Mr. Ardalan has also served as manager with Metro International, a Swedish based publishing company, establishing the company's presence and operations in over a dozen countries. Mr Ardalan's most recent experience is acting as a founder, President and Director of FlexFi.

3.3 Penalties, Sanctions and Bankruptcy

FlexFi and Afshin Ardalan were subject to sanctions issued by the BCSC on May 24, 2018. The BCSC found that FlexFi issued "securities", as defined under the BC Securities Act, without filing a prospectus and without seeking a prospectus exemption. The BCSC also held that as FlexFi's president and sole director, Mr. Ardalan was liable for FlexFi's contraventions of the BC Securities Act.

The BCSC ordered Mr. Ardalan to comply with a 4-year ban from acting as a director or officer of any issuer or registrant, with the exception of FlexFi. Mr. Ardalan was also prohibited from engaging in other specified activities in the securities markets. Mr. Ardalan was ordered to pay and has since paid an administrative penalty of \$40,000. Similarly, the BCSC ordered FlexFi to comply with a 4-year ban from trading in or purchasing any securities, relying on any of the exemptions, as well as other activities in the securities markets. Full details of the sanctions and the reasoning are available on BCSC's website at <https://www.bpsc.bc.ca/Enforcement/Decisions/>.

A variation order dated November 9, 2018 has been obtained from the BCSC allowing Mr. Ardalan to proceed with an offering memorandum, including to act as a director and officer of the Corporation.

A further variation order dated November 4, 2019 has been obtained from the BCSC allowing Mr. Ardalan to proceed with this Offering Memorandum.

While Mr. Ardalan was a director and officer of Flexfi, Flexfi initiated restructuring proceedings under the proposal provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, pursuant to which the Assets were purchased.

4 CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Number outstanding after May 10, 2021 (January 16, 2020)	Number outstanding after max. offering
Common shares	Unlimited	5,000,000	5,000,000
Series 1 Class A Preferred shares	Unlimited	484,497	5,000,000
Series 2 Class A Preferred shares	Unlimited	1,368,615	2,500,000

The Corporation currently has no outstanding long term debt. The Corporation does not expect to have long term debt upon closing of the Offering and for a period of 12-18 months thereafter, assuming the Corporation is able to raise the Maximum Offering amount and there is no change in the business of the Corporation. Notwithstanding the foregoing, the Corporation has issued Convertible Notes under the Offering having the following terms:

Description of Long Term Debt	Interest Rate	Repayment Terms	Amount Outstanding as at April 15, 2021
Unsecured Convertible Notes issued under the Offering	8% per annum, simple	36 months after the date of issuance	\$125,000

4.3 Prior Sales

The Corporation has issued the following securities within the last 12 months:

Date of Issuance	Type of Security	Number of Securities Issued	Price per Security	Total Funds Received
Prior to December 31, 2020	Series 1 Class A Preferred shares	484,497	\$1.00	484,497
Prior to December 31, 2020	Series 2 Class A Preferred shares	1,368,615*	Nil (pursuant to Court Order)	Nil

* - Series 2 Class A Preferred shares were issued pursuant to Court Order in connection with the purchase of the Assets such that shares equal to 20% of the total issued and outstanding shares of the Corporation, after any closing under the Offering would be issuable. In addition, Shares equal to 5% of the issued Series 2 Class A Preferred shares issued, is pursuant to the Court Order, issuable to the Office of Superintendent of Bankruptcy.

5.0 SECURITIES OFFERED

5.1 Terms of Securities

Preferred Shares

The primary rights, privileges, entitlements and restrictions of the Series 1 Class A Preferred Shares and the Series 2 Class A Preferred Shares, including the following and which are more particularly set out in Schedule A Exhibit 2.

Liquidation Preference

One times the Issue Price plus declared but unpaid dividends on each Preferred Share upon the occurrence of a Liquidation, with the remaining balance of proceeds shall be distributed pro rata to the holders of the Corporation's Common shares ("**Common Shares**"). A "**Liquidation**" shall be defined as a (i) merger, reorganization or similar transaction whereby the shareholders of the Corporation own less than a majority of the shares of the surviving or successor company; (ii) a dissolution or winding up; or (iii) a sale, license or other disposition of all or substantially all intellectual property assets.

Dividends

If, as and when declared by the Board of Directors of the Corporation ("**Board**"). No dividends may be declared on the Common Shares without an equal per share dividend declared on the Preferred Shares.

Conversion

Each Preferred Share shall be convertible into one Common Share (subject to proportional adjustments for stock splits, stock dividends and the like and for anti-dilution adjustments) (i) at any time at the option of the Subscriber, or (ii) automatically upon (A) the closing of a firmly underwritten public offering of Common Shares resulting in minimum gross proceeds of \$5,000,000 to the Corporation, or (B) the written consent of the holders of majority of the outstanding Preferred Shares.

Voting Rights

Preferred Shares vote together with the Common Shares on all matters on an as converted- basis. Each holder of the outstanding Preferred Shares will be required to exercise its right to not dissent in respect of any corporate action of the Corporation, to the extent the right to waive dissent is provided in the *Canada Business Corporations Act*.

Anti-Dilution

In the event the Corporation issues additional securities at a purchase price below the Issue Price, the Conversion Price will be adjusted based on a broad-based weighted-average anti-dilution adjustment formula, subject to customary exceptions for issuance of shares pursuant to a Board approved stock option plan, consolidations, share-splits and the like. "**Conversion Price**" shall initially be equal to the Issue Price, as adjusted from time to time for proportional adjustments for stock splits, stock dividends and the like and for anti-dilution adjustments.

Convertible Notes

The primary terms of the Convertible Notes are summarized as follows and a copy of and Unsecured Convertible Note is attached as Schedule A Exhibit 1.

Maturity:	Unless a conversion occurs under the terms of the Note, the principal (the “ Principal ”), together with any accrued and unpaid interest on such Principal (“ Interest ” and together with the Principal, the “ Indebtedness ”), will be due and payable in full on the date that is 36 months from the date of subscription (the “ Maturity Date ”).
Security:	The Note will be an unsecured obligation of the Corporation.
Interest:	The Principal will accrue interest at a rate of 8% per annum, simple interest as of the date of issuance of the Note, and will be payable on a monthly basis on the last day of each month. In the event the Indebtedness remains outstanding after the Maturity Date, any portion of the Indebtedness outstanding shall accrue interest at a rate of 10% per annum, simple interest.
Conversion:	<u>Qualified Financing.</u> The Principal shall at the option of each Subscriber convert into fully paid and non-assessable shares of such securities (the “Next Financing Securities”) as are issued in a transaction or series of related transactions occurring prior to the Maturity Date with aggregate gross proceeds of at least \$4,000,000 (a “Qualified Financing”), not including the amount resulting from the conversion of the Notes, at a price per share equal to the lower of: (a) the lowest price per Next Financing Security (or units thereof) sold in the Qualified Financing; and (b) at \$1.25, as may be adjusted from time to time for any share consolidations, subdivisions or other similar reorganization (the “Conversion Price per Share”). <u>Acquisition.</u> In the event of a Liquidation (as defined above) on or before the Maturity Date, the Subscriber shall have the right to elect to have the Principal, or any portion of it, repaid concurrently with the closing of the Liquidity Event or converted into Preferred Shares at the Conversion Price per Share. <u>Maturity Date.</u> On the Maturity Date, the Subscriber shall have the right to elect to have the Principal, or any portion of it, repaid or converted into Preferred Shares at the Conversion Price per Share. <u>Voluntary Conversion.</u> If the Corporation has delivered a Prepayment Notice (as defined below) prior to the Maturity Date, the Subscriber shall have the right to convert the Principal, or any portion of it, into Preferred Shares at the Conversion Price per Share, prior to the prepayment right.
Prepayment	The Corporation shall have the right at any time to repay any portion of or all of the Indebtedness, after the Corporation has delivered a written notice of prepayment to the Subscriber (“ Prepayment Notice ”) at least 14 days prior to the intended date of prepayment.

5.2 Subscription Procedure

In connection with each Closing, each Subscriber will be provided with the following documents in connection with completion of the purchase of Preferred Shares or a Convertible Note:

- Subscription Agreement in the form prescribed by the Corporation to set out the terms in respect of the purchase of the Securities by the Subscriber for completion and execution;
- if applicable, a Share Subscription substantially in the form attached as Schedule A Exhibit 2, setting out the terms in respect of the purchase of the Preferred Shares by the Subscriber for completion and execution;
- if applicable, a Convertible Note substantially in the form attached as Schedule A Exhibit 1, setting out the terms in respect of the purchase of the Convertible Note by the Subscriber for completion and execution;
- a Risk Acknowledgement Form in the form prescribed under applicable securities laws for completion and execution;
- if applicable, an Accredited Investor Certificate in the form prescribed under applicable securities laws, if the Subscriber is resident in any Canadian province other than British Columbia and invests in excess of \$10,000 for completion and execution;
- if applicable, an Eligible Investor Certificate, the form prescribed under applicable securities laws if the Subscriber is an “eligible investor” (as defined in National Instrument 45-106), is resident in Alberta or Ontario and invests up to \$30,000 in any 12 month period for completion and execution;
- a copy of the Articles of Amendment of the Corporation setting out the rights, entitlements, privileges and restrictions set out in Section 0 and Schedule A Exhibit 2; and
- if applicable, a copy of the Share Certificate or confirmation of issuance of the Preferred Shares in the name of the Subscriber.

Subscribers are to make payment to the Corporation, by certified cheque, bank draft or wire transfer, concurrently with the delivery of a duly executed and completed Subscription Agreement, Convertible Note and other related documents as set out above.

6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The Preferred Shares qualify as eligible investments under the Tax Act for investments by registered RRSP or TFSA accounts, provided that the Subscriber meets certain eligibility requirements to contribute the Preferred Shares to a registered RRSP or TFSA account. Subscribers are advised to seek their own independent tax advice as to whether the Preferred Shares purchased by them are eligible for investing through an RRSP or TFSA account.

7 COMPENSATION PAID TO SELLERS AND FINDERS

The Corporation has not appointed a selling agent. The Securities are offered directly to the potential investors, or where permitted by applicable law, distributed through agents or other third parties. The Corporation has paid finder’s fees to certain individuals who provided finder services.

8 RISK FACTORS

The Offering should be considered highly speculative due to the nature and stage of development of the Corporation's business. The Securities involve a number of significant risks which may adversely affect the Corporation's operations, results, prospects and financial condition, and which could cause the value of the Securities to decline and cause the Subscriber to lose their entire investment. Potential Subscribers should carefully consider the factors below. The following is only a summary of the material risk factors involved in an investment in the Securities. Prospective Subscribers should review the risks with their legal and financial advisors.

8.1 Investment Risks

No Guaranteed Return

The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. There is no guarantee that an investment in the Corporation will earn any positive return in the short or long-term.

Price for the Preferred Shares Determined Arbitrarily

Management of the Corporation has arbitrarily determined the Issue Price and the per share price the Indebtedness under the Notes is convertible into Preferred Shares pursuant to this Offering. Management of the Corporation makes no representation to prospective Subscribers as to the market value of the Preferred Shares. All prospective Subscribers are urged to consider the purchase of the Preferred Shares on its merits as an investment and to consult professional advisors having relevant expertise.

The Convertible Debt is Unsecured

The Convertible Notes are debt obligations of the Corporation that at law rank senior to shares of the Corporation but rank junior to secured indebtedness of the Corporation any amounts payable to Canada Revenue Agency or certain payment of salaries and benefits to employees of the Corporation.

No Certainty of Repayment

There is no certainty that the Corporation will have the financial ability to repay the Convertible Notes on the Maturity Date (being 36 months after issuance) and the Convertible Notes may be required to be converted to shares of the Corporation as set forth above.

No Market for Securities

This Offering Memorandum constitutes a private offering of the Securities by the Corporation only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities laws. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of the Securities. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulator or regulatory authority.

As the Offering is offered without the benefit of a prospectus, the Securities will be subject to a number of resale restrictions, including a restriction on trading. The Securities may not be resold or otherwise transferred until the trading restriction expires or unless the Subscriber complies with very limited exemptions from the prospectus requirements under applicable securities law. Therefore, there is significant risk that Subscribers may be unable to liquidate their investment in the Securities in a timely manner, if at all, withdraw their capital, or pledge their Securities as collateral, and Subscribers must be prepared to bear

the economic risk of investment. An investment in the Securities should only be considered by prospective Subscribers who do not require liquidity. See Item 10 - Resale Restrictions.

Highly Speculative

An investment in the Securities is highly speculative. Subscribers should buy them only if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity in their investment. An investment in the Securities should not constitute a major portion of a Subscriber's portfolio.

The Preferred Shares and Convertible Notes Are Not Insured

The Securities are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada). The Corporation is not a member institution of the Canada Deposit Insurance Trust and the Preferred Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Trust.

Additional Debt

The Corporation may undertake additional financings and issue additional debt or equity instruments in the future. Such additional financing may be issued without the approval of Subscribers, and may be issued in such number and for such price as is determined in the sole discretion of the Corporation. Shareholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of debt or equity instruments will have on the fair market value of the Preferred Shares. With any additional issuance of debt or equity instruments, Shareholders may experience dilution.

Securities Regulatory Risk

In the event that the Corporation were to become subject to any cease trade order, penalty or sanction which limited or otherwise adversely affected its ability to issue securities and/or otherwise proceed with its business plans as described in this Offering Memorandum (collectively referred to as an "Adverse Event"), such Adverse Event could have a material adverse effect on the returns to Subscribers, including a partial or full loss of the investment by Subscribers.

Legal Liability

To the extent the Corporation were to incur legal and/or other liabilities, howsoever arising, which resulted in financial losses to the Corporation, there is nothing that would preclude a claimant from pursuing reimbursement from and claiming against any or all of the assets of the Corporation. In other words, a claim in respect of the investment outlined in this Offering Memorandum could potentially have a material adverse effect on the Corporation as a whole and on the return on investment realized by Subscribers. Similarly, a claim in respect of an acquisition or investment by the Corporation, with funds raised from the issuance of Securities, could have a material adverse effect on the Corporation and, accordingly, on the interest and principal repayment to holders of Notes.

8.2 Issuer Risks

Acquisition of FlexFi's Assets

There is a risk that the Corporation will not be able to pay Flexfi the remaining Cash Consideration on dates due (as described in Section 2.7), resulting in the right of Flexfi to exercise its security interest granted against the assets of the Corporation, including all assets purchased by the Corporation from Flexfi. If the

assets of the Corporation are realized by Flexi as a result of enforcement of its security interest, the Corporation may not have the right to such assets as such date of realization and may not be able to continue its business as intended to be immediately carried, as described in this Offering Memorandum.

Quality of Flexfi's Loan Portfolio

There is risk that certain of the loans in the loan portfolio of FlexFi acquired by the Corporation will not be recoverable and there may be delinquency in receipt of payments and there is a risk that the assets of FlexFi do not have the value attributed to them. Note that as at August 31, 2020, Flexfi issued \$699,960 in loans and the Corporation considers \$672,293 of such loans as doubtful loans as they are delinquent in payments by more than 180 days and have not made a payment in the 30 day period before the date of this Offering Memorandum and therefore the Corporation may not be able to collect the outstanding amounts and may need to write off some or all of such doubtful loans.

Additional Funding

The Corporation may require additional capital and financing to fund its planned development and operations generally. Significant additional financing in excess of that available from the Offering may be required to meet the financing requirements of the Corporation.

In the event that the Corporation is unable to raise sufficient funds by way of other debt or equity financings or corporate collaborations, the Corporation will have insufficient funds available to implement its business plan. In addition, the Corporation may be required to delay, reduce the scope of, eliminate or divest one or more of its projects, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations. There is significant risk that additional financing may not be available or may not be available at economic rates and hence your investment may be at significant risk or may be significantly diluted.

Ability to Generate Sufficient Volume of Loans

There is a risk that the Corporation will be unable to generate a sufficient volume of loans, and hence a sufficient level of revenue to assure the profitability of the business. While the demand for personal loans and other financial products is currently high, there is no guarantee this will continue to be the case.

Ability to Recover Loans

There is a risk some of the Corporation's customers are unable or unwilling to repay their loans to the Corporation, and that some, or all of these loans will go into default.

Business Expansion

There is a risk that the Corporation will be unable to execute on the plans for launching and offering new products. Launching some of these products is dependent on collaborating with third party companies and there is no guarantee an agreement can be reached with some or all of such companies.

Availability of Technology

As a Fintech company the Corporation will be heavily reliant on the use of technology, many components of which are provided by third parties. There is a risk associated with technology related interruptions.

Cybersecurity

The Corporation obtains and processes large amounts of sensitive data, including customers' personal and credit information. The Corporation faces risks, including its reputation as a trusted brand, in the handling and protection of this data, and these risks will increase as the business continues to expand to include new products and technologies. Security breaches, computer malware and computer hacking attacks are an ongoing concerns for the Corporation.

Reliance on Key Personnel

The Corporation will rely on Mr. Ardalan as key employee. The death or disability of Mr. Ardalan may have a significant and adverse effect on the financial condition, business and operations of the Corporation because Mr. Ardalan is the founder, Chief Executive Officer and Director of the Corporation.

Competition

The Corporation is a small company with limited resources competing against well-funded organization that are much larger. Refer to a discussion on competitors of the Corporation in Section 2.3 above.

8.3 Industry Risks

Intellectual Property Rights

The business of the Corporation will be heavily based on protection of intellectual property rights. If another party makes claims to the intellectual property rights of the Corporation, or if a third party infringes upon the intellectual property rights of the Corporation, considerable expense or loss may be incurred by the Corporation.

Government Regulations

The Corporation may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Corporation. Changes in the regulatory environment imposed upon the Corporation could adversely affect the ability of the Corporation to attain its corporate objectives. Legal, tax and other regulatory changes may occur that may adversely affect the Corporation. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the business of the Corporation.

Political and Economic Conditions

There is a risk the general political and economic conditions will change in the markets that the Corporation operates in, thereby adversely affecting the prospects of the business.

9 REPORTING OBLIGATIONS

The Corporation is not a reporting issuer in British Columbia or in any other jurisdiction and has no reporting obligations to Shareholders. As a non-reporting issuer, the Corporation is not required to publish financial information or notify the public of changes in its business.

We are not required to send you any documents on an annual or on-going basis.

10 RESALE RESTRICTIONS

The Securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

“Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.”

11 SUBSCRIBER’S RIGHTS

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

1. Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

2. Statutory Rights of Action in the Event of a Misrepresentation

For Subscribers Resident in British Columbia

The BC Securities Act provides purchasers resident in the Province of British Columbia (each a “**B.C. Subscriber**”) with, in addition to any other right they may have at law, rights of rescission or damages, or both, where an offering memorandum, together with any amendments thereto, contains a misrepresentation.

In particular, section 132.1 of the BC Securities Act provides that if this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, and it was a misrepresentation at the time of purchase of the Securities, a B.C. Subscriber to whom this Offering Memorandum was delivered and who purchased Securities offered hereunder shall be deemed to have relied on the misrepresentation and has, subject as hereinafter provided, a right of action against the Corporation, every director of Corporation at the date of the Offering Memorandum and every person who signed the Offering Memorandum for damages, which liability if found or admitted will be joint and several, and a right of rescission against the Corporation, provided that if the B.C. Subscriber elects to exercise a right of rescission against the Corporation, the B.C. Subscriber has no right of action for damages against the Corporation, and provided that:

- a. an action to enforce such right or rights must not be commenced (i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action, or (ii) in the case of an action other than for rescission, more than the earlier of (A) 180 days after the B.C. Subscriber first had knowledge of the facts giving rise to the cause of action, or (B) 3 years after the date of the transaction that gave rise to the cause of action;
- b. no person will be liable if he, she or it proves that the B.C. Subscriber had knowledge of the misrepresentation;
- c. in the case of an action for damages, no person will be liable for all or any part of the damages that it proves does not represent the depreciation in value of the Preferred Shares resulting from the misrepresentation; and

- d. in no case will the amount recoverable in any action exceed the price at which the Preferred Shares were offered under the Offering Memorandum.

For Subscribers Resident in Alberta

The Alberta Securities Act provides purchasers resident in the Province of Alberta (each an “**Alberta Subscriber**”) with, in addition to any other right they may have at law, rights of rescission or damages, where an offering memorandum, together with any amendments thereto, contains a misrepresentation.

In particular, section 204 of the Alberta Securities Act provides that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to an Alberta Subscriber and contains a misrepresentation, and it was a misrepresentation at the time of purchase of the Preferred Shares, an Alberta Subscriber to whom this Offering Memorandum was delivered and who purchased Securities offered hereunder (without regard to whether the purchaser relied upon such misrepresentation) has, subject as hereinafter provided, a right of action against the Corporation, every director of the Corporation at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum for damages, which liability if found or admitted will be joint and several, or alternatively, a right of action against the Corporation for rescission, provided that if the Alberta Subscriber elects to exercise a right of rescission against the Corporation, the Alberta Subscriber has no right of action for damages against the Corporation or other above named person, and provided that:

an action is commenced to enforce such right (i) in the case of an action for rescission, within 180 days after the date the transaction that gave rise to the cause of action or (ii) in the case of any other action, other than an action for rescission, the earlier of, (a) 180 days from the date that the Alberta Subscriber first had knowledge of the facts giving rise to the cause of action, or (b) 3 years from the date of the transaction that gave rise to the cause of action was completed or committed, as the case may be;

no person will be liable if he, she or it proves that the Alberta Subscriber had knowledge of the misrepresentation;

in the case of an action for damages, no person will be liable for all or any part of the damages that it proves does not represent the depreciation in value of the Securities as a result of the misrepresentation; and

in no case will the amount recoverable in any action exceed the price at which the Securities were sold to the Alberta Subscriber.

For Subscribers Resident in Ontario

The Ontario Securities Act provides purchasers resident in the Province of Ontario (each an “**Ontario Subscriber**”) with, in addition to any other right they may have at law, rights of rescission or damages where an Offering Memorandum, together with any amendments thereto contains a misrepresentation.

In particular, section 130.1 of the Ontario Securities Act provides that if this Offering Memorandum contains a misrepresentation, an Ontario Subscriber who purchases Securities offered by this Offering Memorandum during the period of distribution has a right of action for damages against the Corporation or, alternatively, may elect to exercise a right of rescission against the Corporation, without regard to whether the Ontario Subscriber relied on the misrepresentation, provided that if the Ontario Subscriber exercises its right of rescission, it shall not have a right of action for damages against the Corporation, and provided that:

no action shall be commenced to enforce these rights more than (i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action, or (ii) in the case of any action, other than an action for rescission, the earlier of (A) 180 days after the Ontario Subscriber first had knowledge of the fact giving rise to the cause of action, or (B) three years after the date of the transaction that gave rise to the cause of action;

the Corporation will not be liable if it proves that the Ontario Subscriber purchased the Securities with knowledge of the misrepresentation;

in an action for damages, the Corporation will not be liable for all or any portion of the damages that the Corporation proves do not represent the depreciation in value of the Securities as a result of the misrepresentation relied upon; and

in no case will the amount recoverable exceed the price at which the Securities were offered.

The rights discussed above are in addition to and without derogation from any other rights the subscriber may have at law. For information about your rights, you should consult a lawyer. The foregoing summaries are subject to the express provision of the BC Securities Act, the Alberta Securities Act and the Ontario Securities Act as applicable and the rules, regulations and policy statements thereunder and reference is made thereto or the complete text of such provisions.

12. FINANCIAL STATEMENTS

Attached to this Offering Memorandum immediately following this Item are the audited financial statements for FlexFi for fiscal year ended August 31, 2020 (which includes comparative August 31, 2019 financial reporting) and for the interim period ended 60 days before the date hereof OM (March 10, 2021) and the audited financial statements for the Corporation for fiscal year ended August 31, 2020 (which includes comparative August 31, 2019 financial reporting) and for the interim period dated 60 days before the date hereof (March 10, 2021).

To the extent permitted by law, the Corporation does not presently intend to prepare audited financial statements on a go forward basis. It will be a term of the Subscription Agreements that the Subscriber will waive and agree to waive the right to require the Corporation to prepare and present audited financial statements to the Subscriber and other shareholders of the Corporation.

FINJOY INC.
FINANCIAL STATEMENTS

AUGUST 31, 2020

FINJOY INC.

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INDEPENDENT AUDITOR'S REPORT

To the Director of Finjoy Inc.:

Opinion

I have audited the financial statements of Finjoy Inc. (the Company), which comprise the statement of financial position as at August 31, 2020, and the statements of income and comprehensive income, cash flows and changes to shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Company as at August 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Other Matter

The financial statements of Finjoy Inc. for the year ended August 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on February 18, 2020.

Emphasis of Matter - Departure from Going Concern Basis of Accounting

I draw attention to note 2 which describes the basis of accounting. My opinion is not modified in respect of this matter.

Riquelme & Associates

FINJOY INC.

STATEMENTS OF FINANCIAL POSITION

AS AT AUGUST 31,	2020	2019
ASSETS		
CURRENT		
Cash	\$ 7,040	\$ -
Cash held in trust	80,000	22,000
Loans receivable (Note 6)	87,384	-
Subscription receivable (Note 4)	50,000	-
Due from related party (Note 7)	116,191	-
Due from director (Note 7)	50	50
	\$ 340,665	\$ 22,050
LIABILITIES		
CURRENT		
Bank deposits (indebtedness)	\$ -	\$ 35
Accounts payable and accrued liabilities (Note 8)	18,093	486
Purchase of assets payable (Note 9)	230,000	-
Shares paid for but not yet issued (Note 4)	-	22,000
Convertible debt (Note 12)	80,000	-
Due to related party (Note 7)	-	1,703
	328,093	24,224
SHARE CAPITAL AND DEFICIT		
Share Capital (Note 4)	1,651,863	50
Deficit	(1,639,291)	(2,224)
	12,572	(2,174)
	\$ 340,665	\$ 22,050

SUBSEQUENT EVENTS (Note 13)

APPROVED BY THE DIRECTOR:

Afshin Ardalan Director

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

FINJOY INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	FOR THE YEAR ENDED AUGUST 31, 2020	FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 23, 2018 TO AUGUST 31, 2019 (Reclassified)
REVENUE		
Interest income	\$ 21,533	\$ -
Other income	200	-
	21,733	-
COST OF REVENUE		
Collection costs	18,480	-
Sales expenses	5,742	-
Bad debt expense (Note 6)	296,715	-
	320,937	-
GROSS PROFIT	(299,204)	-
EXPENSES		
Advertising and promotion	2,400	-
Bank charges	285	55
Computer	11,500	-
Interest on long-term debt	2,133	-
Licenses and dues	541	-
Professional fees	14,021	2,169
Rent and occupancy	766	-
	31,646	2,224
LOSS FROM OPERATIONS	(330,850)	(2,224)
IMPAIRMENT OF GOODWILL (Note 10)	(1,306,217)	-
NET LOSS AND COMPREHENSIVE LOSS	\$(1,637,067)	\$ (2,224)

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

FINJOY INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	Common Stock	Preferred Stock	Deficit	Total Shareholders' Equity
Balance as at November 23, 2018	\$ 50	\$ -	\$ -	\$ -
Loss and comprehensive loss for the year			(2,224)	(2,224)
Balance as at August 31, 2019	\$ 50	\$ -	\$ (2,224)	\$ (2,174)
Issued shares for cash	-	345,641		345,641
Issued shares pursuant asset purchase agreement (Note 4)	-	1,306,172		1,306,172
Loss and comprehensive loss for the year			(1,637,067)	(1,637,067)
Balance as at August 31, 2020	\$ 50	\$ 1,651,813	\$ (1,639,291)	\$ 12,572

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

FINJOY INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31,	2020	2019
CASH FLOWS (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss and comprehensive loss	\$(1,637,067)	\$ (2,224)
Items not affecting cash:		
Related party expenses	19,224	-
Impairment of goodwill	1,306,217	-
Bad debt expense	296,715	-
Changes in non-cash working capital:		
Loans receivable (net)	75,901	-
Accounts payable and accrued liabilities	17,607	486
Subscription receivable	(50,000)	-
	28,597	(1,738)
FINANCING ACTIVITIES		
Issuance of convertible debt	80,000	-
Issuance of preferred shares	323,596	-
Net advances to related party	(137,118)	1,703
Due from director	-	(50)
Common shares subscribed for upon incorporation	-	50
Shares subscribed for but not yet issued	-	22,000
	266,478	23,703
INVESTING ACTIVITIES		
Acquisition of assets	(230,000)	-
	(230,000)	-
INCREASE IN CASH	65,075	21,965
CASH, beginning of year	21,965	-
CASH, end of year	\$ 87,040	\$ 21,965
CASH IS COMPRISED OF:		
Cash held in trust	\$ 80,000	\$ 22,000
Bank deposits (indebtedness)	7,040	(35)
	\$ 87,040	\$ 21,965
SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS:		
Cash paid for Interest	\$ 2,133	\$ 55

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

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

1. NATURE OF BUSINESS

Finjoy Inc. ("Finjoy" or the "Company") was incorporated under the Canada Business Corporations Act on November 23, 2018. The registered and records office is located at 2900-550 Burrard Street, Vancouver, BC, V6C 0A3.

The focus of Finjoy's business is to provide consumer loans to clients who either have no access to bank loans, or who prefer the convenience of dealing with an online operator. The Company operates in one segment; providing loans to retail consumers in Canada. All the Company's assets are located in Canada.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements were based on IFRS issued and outstanding as at August 31, 2020. The Company presents its statement of financial position on a non-classified basis in order of liquidity. The financial statements have been prepared on a net realizable value basis using a liquidation basis of accounting. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(b) Liquidation basis of accounting

The financial statements have been prepared under a liquidation basis and amended to reflect the fact that the going concern assumption is not appropriate. This involves writing assets down to their net realizable value based on conditions existing at the end of the reporting period and providing for contractual commitments which may have become onerous.

Under the liquidation basis, all assets are measured at net realizable value, provisions are made for estimated liquidation costs and all assets have been reclassified from non-current to current.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses for the year, as well as the disclosure of contingent assets and liabilities at the date of the financial statements.

In making estimates and judgments, management relies on a number of factors, including historical experience, best knowledge of current events, conditions and actions that the Company may undertake in the future, and other factors believed reasonable under the circumstances. These estimates and judgments are periodically reviewed and have been applied in a manner consistent with the prior period and there are no known trends, commitments, events, or certainties that are believed to materially affect the methodology or assumptions utilized in making those estimates in these financial statements.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

2. BASIS OF PRESENTATION (continued)

These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates. Changes in estimates are recorded in the accounting period in which they are determined. Significant estimates used in determining the amounts recognized in the financial statements are as follows:

i. Capitalization of intangible assets

In applying its accounting policy for costs incurred during the development phase for new intangibles, the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstances in making this assessment including historical experience, costs and anticipated future economic conditions.

Following the adoption of the liquidation basis of accounting, intangible assets are valued at net realizable value which is \$NIL.

ii. Valuation of long-lived assets and asset impairment

Estimated useful lives of equipment and intangible assets are based on management's judgment and experience.

When management identifies that the actual useful lives for these assets differ materially from the estimates used to calculate depreciation and amortization, that change is adjusted prospectively. Due to investment in intangible assets by the Company, variations between actual and estimated useful lives could impact operating results both positively and negatively. Asset lives, depreciation and amortization methods, and residual values are reviewed periodically.

The Company periodically assesses the recoverability of values assigned to long-lived assets after considering potential impairment indicated by such factors as significant changes in technological, market, economic or legal environment, business and market trends, future prospects, current market value and other economic factors.

Following the adoption of the liquidation basis of accounting, equipment and intangible assets are valued at net realizable value which is \$NIL.

iii. Allowance for doubtful accounts

Provision for doubtful accounts is calculated as total outstanding balance on accounts over 180 days who have not made a payment in the past 30 days. The allowance is updated every month to maintain an adequate allowance for doubtful accounts. Allowance for doubtful accounts represents an estimate of the expected credit losses inherent in the existing loan portfolio and is based on a variety of factors, including composition and quality of the portfolio, loan-specific information gathered through collection efforts, delinquency levels, historical charge-off and loss experience, and general economic conditions. The methodology and assumptions used in setting the loan loss allowance are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

iv. Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

2. BASIS OF PRESENTATION (continued)

However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

The Company recognizes revenue to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding promotional discounts. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The Company has concluded that it is acting as principal in all of its revenue arrangements.

i. Interest Revenue

Interest revenue from consumer loans receivable is recognized when earned using the effective interest rate method.

ii. Other Revenue

Other revenue consists primarily of other fees and NSF fees charged during the loan term. Other revenue is recognized when assessed to the customer, when the underlying transaction is completed, and collection is reasonably assured.

(b) Cost of revenues

Cost of revenues consists of provision for doubtful accounts, collection costs and transaction costs. Transaction costs are expenses that relate directly to the acquisition and processing of new customers (excluding marketing) and include such expenses as credit scoring fees, referral fees, commission expense and interest expense.

(c) Loans receivable

Loans receivable consist of unsecured installment loans. Loans receivable are reported net of an allowance for doubtful accounts. Loan terms generally range from 8 to 36 months.

The Company maintains an allowance for doubtful accounts that reduces the carrying value of loans identified as impaired to their estimated realizable amounts.

Loans classified as impaired include loans for which collection of interest and principal payments are in doubt. Loans are also considered impaired if, in management's view, there is no longer reasonable assurance of timely collection for the full amount of principal and interest.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at costs less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in net income in the period in which the expenditure is incurred.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period for potential impairment indicators. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in net income.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company's trademarks have been assessed to have an indefinite life.

Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the asset and are recognized in net income when the assets are derecognized.

Following the adoption of the liquidation basis of accounting, intangible assets are valued at net realizable value which is \$NIL.

(e) Cash and cash equivalents

The Company considers highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash equivalents are initially recognized at their fair value plus any attributable transaction costs. Any changes in the fair value of the cash equivalents are recorded in the statement of income and comprehensive income for the period. The Company's policy is to disclose bank balances under cash and cash equivalents, including term deposits with a maturity of three months or fewer from the date of acquisition.

Cash consists of cash on hand and cash held in trust with the Company's legal counsel.

(f) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax is the expected tax payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(g) Financial instruments

The Company provides disclosures that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(h) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- i. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- ii. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- iii. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- iv. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

(i) The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test ('solely payments of principle and interest').

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

In contrast, contractual terms that introduce a more than a minimal exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL. The Company has no financial assets currently measured at FVPL.

(j) Expected credit loss (ECL)

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk ("SICR") since origination, in which case the allowance is based on the 12 months' expected credit loss.

The Company groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12month ECLs, which represent lifetime ECLs related to default events that are expected to occur within 12 months after the reporting date. Stage 1 loans also include facilities where the credit risk has subsequently improved such that the increase in credit risks since initial recognition is no longer significant and the loans have been reclassified from Stage 2.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stage 2: When a loan has shown a SICR since origination, the Company records an allowance for the lifetime ECLs. Stage 2 loans also include facilities where the credit risk has improved, and the loans have been reclassified from Stage 3.

Stage 3: The Company records an allowance for the lifetime ECLs for loans considered to be credit impaired (as outlined below in "Definition of default and cure").

Both lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

(k) Significant increase in credit risk

The Company has established a policy to assess, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The primary indicators of SICR are relative changes in credit scores for loans. The Company also applies a secondary qualitative method for identifying a SICR, such as changes in macroeconomic circumstances or the application of management's judgment. In certain cases, the Company may also consider that certain events are a SICR as opposed to a default. For a definition of default and cure, refer to the "Definition of default and cure" sub-section of this note. IFRS 9 provides a rebuttable presumption that a SICR has occurred if contractual payments are more than 30 days past due. The Company has not rebutted this presumption.

(l) Calculation of ECLs

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. The cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- i. PD: The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- ii. EAD: The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- iii. LGD: The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call the instrument earlier.

(m) Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. In certain other cases, where qualitative thresholds indicate unlikelihood to pay as a result of a credit event, the Company carefully considers whether the event should result in an assessment at Stage 2 or 3 for ECL calculations.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The combined impact of several events may cause financial assets to become defaulted as opposed to one discrete event. It is the Company's policy to consider a financial instrument as "cured" and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least twelve consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the assessment of whether the SICR will reverse. The Company has also set probation periods for an asset to return to Stage 1.

(n) Write-offs

Financial assets are written off either partially or in their entirety only when the Company believes that there are no reasonable expected future recoveries. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to provisions for losses

IFRS 15, Revenue from Contracts with Customers

On November 23, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ["IFRS 15"], which clarifies the principles of recognizing revenue and cash flows arising from contracts with customers.

The new standard includes a five-step recognition and measurement approach, requirements for accounting for contract costs and enhanced disclosure requirements. The adoption of the new standard did not result in any financial adjustments to the Company's financial statements, nor any material changes to the Company's revenue recognition policies.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

4. SHARE CAPITAL

Authorized:

Unlimited Class A common shares without par value
 Unlimited Class A Series 1 preferred shares
 Unlimited Class A Series 2 preferred shares

		2020	2019
Issued:			
5,000,000	Class A common shares	\$ 50	\$ 50
384,892	Class A Series 1 preferred shares	345,596	-
1,306,217	Class A Series 2 preferred shares	1,306,217	-
		\$ 1,651,863	\$ 50

The Company's authorized share capital is comprised of an unlimited number of common shares and an unlimited number of Class A preferred shares, issuable in one or more series, of which an unlimited number have been designated as Series 1 Class A preferred shares and an unlimited amount have been designated as Series 2 Class A preferred shares.

On January 15, 2020, the Company issued 1,306,217 Series 2 Class A Preferred Shares at a deemed price of \$1 to the unsecured creditors referred to in Note 9 (a). 65,305 Series 2 Class A Preferred Shares (5%) are allocated to the Office of the Superintendent of Bankruptcy to be distributed to the unsecured creditors referred to in Note 9 (a) on a pro-rata basis based on the agreed upon payment schedule.

The Company has authorized and designated the unlimited Class A Series 1 and Series 2 Preferred Shares as convertible preferred stock. During the year, the Company issued 384,892 Class A Series 1 Preferred Shares at an issuance price of \$1 per share, for gross proceeds of \$334,892. Finders fees of \$28,143 and legal fees of \$11,153 were paid.

On July 28, 2020, the Company issued 50,000 Series 1 Class A Preferred shares to an investor for gross proceeds of \$50,000. The proceeds for this issuance were received subsequent to the year ended August 31, 2020 (Note 13). Finder's fees associated with this issuance were paid in the amount of \$3,500.

(a) Common shares

The common shares have the following rights and privileges:

- Voting – The holder of each common share is entitled to one vote per share held. The holders of common shares shall be entitled to elect members of the Board of Directors.
- Dividends – Common shareholders are entitled to receive dividends, if and when declared by the Board of Directors, subject to the rights of holders of all classes of shares outstanding having priority rights as to dividends.

(b) Preferred shares

The preferred shares have the following rights and privileges:

- Voting – The holders of the preferred shares shall be entitled to the number of votes equal to the number of shares of common shares into which such shares of preferred shares could be converted.
- Conversion – Each preferred share, is convertible at the option of the holder into one common share, subject to certain adjustments for dilution, if any, resulting from future share

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

4. SHARE CAPITAL (continued)

issuances, including any subsequent issuance of common shares at a price per share less than that paid by the holders of the preferred shares. The outstanding preferred shares automatically convert into common shares upon the occurrence of (i) an underwritten public offering of the Company's common shares, or (ii) the election of the holders of a majority of the then outstanding preferred shares.

- iii. Dividends – No dividends shall at any time be declared or paid on or set apart for payment on any of the common shares or on any other class of series of shares ranking junior to the Series A 1 and Series A 2 Preferred Shares, unless in each case all dividends on the Series A 1 Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of declaration. No such dividends have been declared to date. In addition, the holders of the preferred shares are entitled to receive a dividend equal to any dividend paid on common shares, when and if declared by the board, on the basis of the number of common shares into which a share of preferred share may be convertible.
- iv. Liquidation – In the event of any liquidation, dissolution, winding-up or sale or merger of the Company, whether voluntarily or involuntarily, each holder of preferred shares is entitled to receive, in preference to the holders of common stock, a per-share amount equal to the original issue price of \$1 (as adjusted, as defined), plus all declared but unpaid dividends.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of: bank deposits; cash held in trust, loans receivable, subscription receivable, accounts payable and accrued liabilities; convertible debt; and amounts due to related party.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(a) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the loans receivable. The Company makes consumer loans to customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company's customers.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by both the Company's credit policies and the lending and collecting practices which are overseen by the Company's Management. Credit quality of the customer is assessed based on a proprietary credit rating, income and debt service ratios. All of the consumer loans receivable as at August 31, 2020 were unsecured. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently.

The credit risk related to other loans receivable are managed in accordance with policies and procedures resulting from the possibility of default on payments. The Company performs ongoing credit evaluations of consumers and allows for uncollectible amounts when determined to be appropriate.

(b) Fair values

The carrying values of the financial instruments approximate their fair value due to their short-term nature, and the interest rates represent market interest rates.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(c) Currency risk

Currency risk measures the Company's risk of financial loss due to adverse movements in currency exchange rates.

The Company operates in Canada and there were no significant foreign currency transactions, hence, the Company is not subject to currency risk.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due or will not receive sufficient funds from its third-party lenders to advance to the Company's customers. The Company believes that the cash flow provided by operations will be sufficient in the near term to meet operational requirements and capital spending requirements. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

(e) Interest rate risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates. As at August 31, 2020 and 2019 the loans payable had a fixed rate of interest.

Accordingly, future changes in interest rates will not affect the amount of interest expense payable by the Company.

(f) Capital management

The Company's objectives for managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern and deploy capital to provide future investment return to its shareholders.

The Company sets the amount and type of capital required relative to its assessment of risk and adjusts when necessary to respond to changes to economic conditions, the risk characteristics of the underlying assets, and externally imposed capital requirements. In order to maintain or modify its capital structure, the Company may issue new shares, or seek other forms of financing.

(g) Sensitivity analysis

Based on management's knowledge and experience, the Company does not expect any material movements in the underlying market risk variables over a one-year period.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

6. LOANS RECEIVABLE

Loans receivable represent unsecured installment loans advanced to customers in the normal course of business. The terms of the loans vary from 8 to 36 months. The average term for the loans originated is 12 months. The breakdown of Company's gross loans receivable as at August 31, 2020 and 2019 is as follows:

	2020	2019
Not past due	\$ 75,004	\$ -
1-29 days past due	5,753	-
30-59 day past due	1,691	-
60-89 days past due	-	-
90-119 days past due	-	-
120-149 days past due	7,949	-
150-179 day past due	1,933	-
Greater than 180 days past due	667,347	-
Loans receivable	\$ 759,677	\$ -
Allowance for loan losses	(672,293)	-
Net realizable value	\$ 87,384	\$ -

Allowance for loan losses	2020	2019
Balance, acquisition of loans receivable (Note 9)	\$ 403,250	\$ -
Provision for loan losses	269,043	-
Balance, end of year	\$ 672,293	\$ -

Bad debt expense	2020	2019
Provision for loan losses	\$ 269,043	\$ -
Bad debt written off	27,672	-
	\$ 296,715	\$ -

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

7. RELATED PARTY TRANSACTIONS

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Key management personnel consist of officers and directors.

Balances and transactions with KMP during the year ended August 31, 2020 and 2019 consisted of:

	2020	2019
Afshin Ardalan		
Loan receivable	\$ 50	\$ 50
FlexFi Inc.		
Loan receivable (payable)	116,191	(1,703)
Collection costs	12,224	-
Computer expenses	7,000	-
	\$ 135,465	\$ (1,653)

(a) FlexFi Inc.

The amounts due to FlexFi Inc. bear no interest and have no fixed terms of repayment. Pursuant to a Service Agreement, dated January 23, 2020, FlexFi Inc. will provide collection and administration of active loans sold to Finjoy Inc. pursuant to the purchase agreement (Note 9), provide administration services for new loan originations and IT services. The Service Agreement is in place for 1 year, and is renewable on an annual basis.

(b) Due to/from other related parties

The amounts due to/from other related parties bear no interest and have no fixed terms of repayment.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade accounts payable and accrued liabilities	\$ 18,093	\$ 486
Government remittances payable	-	-
	\$ 18,093	\$ 486

9. PURCHASE OF ASSETS PAYABLE

(a) On September 25, 2019, the Company signed a purchase agreement with FlexFi Inc., (a Company with a common director) to purchase the right, title and interest in FlexFi Inc.'s assets to Finjoy Inc. for gross proceeds of \$460,000 payable in stages from March 31, 2020 to May 31, 2020. In addition, Series 1 Class A preferred shares of Finjoy Inc. are to be issued to the unsecured creditors of FlexFi Inc.

The purchase agreement is subject to certain conditions precedent before the closing date, which means the third business day after the condition's precedent are satisfied.

(b) On January 23, 2020, the Company signed a confirmation agreement with FlexFi Inc. which acknowledges and confirms that the conditions precedent have been satisfied referred to in note (a).

(c) The amounts to be paid from the purchase of assets are to be received by the Trustee in charge of the consumer proposal and in turn repay the creditors of FlexFi Inc. On August 31, 2020, the Company received an extension from the Trustee to repay the outstanding balances to the creditors of FlexFi Inc.

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

10. GOODWILL

Pursuant to the asset purchase agreement (Note 9), the Company recognized goodwill in the amount of \$1,306,217, the consideration given to the creditors in the form of Class 2 A Preferred Shares as outlined in Note 4. Following the adoption of the liquidation basis of accounting, intangible assets are valued at net realizable value which is \$NIL.

11. INCOME TAXES

The company accounts for incomes taxes using the taxes payable method. The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	2020	2019
Income(loss) before income taxes	\$ (1,637,067)	\$ (2,224)
Income tax at the statutory rate 27.0% (2019 - 27.0%)	(442,008)	(600)
Excess of amortization over capital cost allowance	(26,450)	-
Non-deductible expenses for tax purposes	352,679	
Financing costs	(2,122)	
Non-capital loss carried forward	117,901	600
Provision for Income Taxes	\$ -	\$ -

The Company has \$438,899 (2019: \$2,224) in non-capital losses that expire between 2039-2040.

The Company has a deferred tax asset of \$117,901 (2019: \$600) in relation to non-capital losses. Deferred tax assets have not been recognized in respect of all these items because it is not probable that future taxable profit will be available against which the Company can utilize benefits therefrom.

12. CONVERTIBLE DEBT

	2020	2019
Opening balance	\$ -	\$ -
Cash received during the year	80,000	-
Interest expense	2,133	-
Interest payments	(2,133)	-
	\$ 80,000	\$ -

During the year, the Company completed financing of \$80,000 by way of issuing convertible debt with various investors. Proceeds received by the Company are in consideration for convertible promissory notes issued to the investors. The convertible debt is unsecured and carries an interest rate of 8%, payable monthly, with a maturity date of June 29, 2023.

The principal amount of the debt is repayable at any time upon prior to the maturity date, unless the indebtedness is converted. The debt is convertible at any time by the investors into preferred shares at the price of \$1.25 per share (conversion price per share).

FINJOY INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

12. CONVERTIBLE DEBT (continued)

Qualified Financing Conversion – Effective upon closing a qualified equity financing of at least \$4,000,000, the outstanding principal will at the option of the subscriber be converted in next financing securities issued under the qualified financing at a price per share which is equal to the lower of a) the lowest price per next financing security sold in the qualified financing, and b) \$1.25 per share.

Liquidation - In the event of a) an amalgamation, merger, or reorganization of the Company, or a sale of the shares of the Company whereby the shareholders of the Company prior to such a transaction will not, directly or indirectly, have control of the Company, or b) a sale of all or substantially all of the Company's assets or undertaking, the subscriber shall have the right to elect to be repaid the indebtedness or have the indebtedness converted into preferred shares at the conversion price per share

13. SUBSEQUENT EVENTS

(a) On September 17, 2020, the Company issued 25,000 Series 1 Class A Preferred Shares at \$1 for total consideration of \$25,000.

(b) On September 21, 2020, the Company issued 10,000 Series 1 Class A Preferred Shares at \$1 for total consideration of \$10,000.

(c) On August 10, 2020, the Company issued \$20,000 of unsecured convertible debt to an investor, pursuant to a note subscription agreement. The convertible debt is unsecured and carries an interest rate of 8%, payable monthly, with a maturity date of August 10, 2023. A finder's fee of \$1,000 was paid.

(d) On September 4, 2020, the Company issued \$15,000 of unsecured convertible debt to an investor, pursuant to a note subscription agreement. The convertible debt is unsecured and carries an interest rate of 8%, payable monthly, with a maturity date of September 4, 2023.

Finjoy

Statement of Income (Loss) and Comprehensive Income (Loss)

1 Sep '20 - 10 Mar 21

REVENUE

Interest Income	14,078
Other Income	1,200
	15,278

COST OF REVENUE

Sales Expense	504
Bad debt expense	-1,542
Credit report fee	1,735
	697

GROSS PROFIT **14,581**

EXPENSES

Advertising and Promotion	4,117
Bank Charges	820
Commission Expenses	4,200
Consulting Fee	21,152
Interest on long term debt	4,799
IT Expenses	3,611
Professional Fee	6,041
Office and Miscellaneous	919
	45,660

NET INCOME (LOSS) **-31,079**

Finjoy

Statement of Financial Position

As At March 10, 2021

ASSETS

CURRENT

Cash	17,162
Loans receivable	55,928
Subscription receivable	50,000
Due from related party	183,901
Due from director	50
CRM	4,920
	311,961

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	863
Purchase of assets payable	65,000
Convertible Debt	125,000
	190,863

SHARE CAPITAL AND DEFICIT

Share capital	1,791,468
Deficit	-1,670,371
	121,097
	311,961

Finjoy

Statement of Cash Flows

For the period ended March 10, 2021

Cash Flows (used in) provided by:

1 Sep '20 - 10 Mar 21

OPERATING ACTIVITIES

Net Income	- \$	31,079
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Adjustments to reconcile Net Income
to net cash provided by operations:

Loans receivable (net)	\$	31,456
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Cash Held in Trust	\$	80,000
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Accounts payable and accrued liabilities	- \$	17,230
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Due to related party	- \$	67,710
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Purchase of assets payable	- \$	165,000
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Net cash provided by operating activities	- \$	169,562
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FINANCING ACTIVITIES

Notes payable	\$	45,000
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Preferred stock	\$	139,605
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Net cash provided by Financial Activities	\$	184,605
---	----	---------

INVESTING ACTIVITIES

CRM Development	- \$	4,920
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	- \$	4,920
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INCREASE IN CASH

	\$	10,123
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CASH, Beginning of period	\$	7,040
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CASH, at end of period	\$	17,162
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Finjoy

Statement of changes in shareholders' equity

For the period ended March 10, 2021

	Common Stock	Preferred Stock	Deficit	Total Shareholder's Equity
Balance as at Aug 31, 2020	50	\$ 1,651,813	-\$ 1,639,291	\$ 12,572
Issued shares for cash		\$ 139,605		
Loss and comprehensive loss for the period			-\$ 31,079	
Balance as at Mar 10, 2021	\$ 50	\$ 1,791,418	-\$ 1,670,370	\$ 121,098

FLEXFI INC.
FINANCIAL STATEMENTS

AUGUST 31, 2020

FLEXFI INC.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of FlexFi Inc.:

Opinion

I have audited the financial statements of FlexFi Inc. (the Company), which comprise the statement of financial position as at August 31, 2020, and the statements of income and comprehensive income, cash flows and changes to shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Company as at August 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Other Matter

The financial statements of FlexFi Inc. for the year ended August 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on March 23, 2020.

Emphasis of Matter - Departure from Going Concern Basis of Accounting

I draw attention to note 2 which describes the basis of accounting. My opinion is not modified in respect of this matter.

Riquelme & Associates

FLEXFI INC.

STATEMENTS OF FINANCIAL POSITION

AS AT AUGUST 31,	2020	2019
ASSETS		
CURRENT		
Cash	\$ 4,227	\$ 20,270
Loans receivable (Note 7)	-	405,877
Sale of assets receivable (Note 10)	230,000	-
Prepaid expenses	5,357	-
	\$ 239,584	\$ 426,147
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 16,624	\$ 19,884
CEBA loan (Note 11)	40,000	-
Loans payable (Note 14)	-	4,702,251
Due to trustee (Note 12)	230,000	-
Due to related party (Note 8)	116,188	-
	402,812	4,722,135
SHARE CAPITAL AND DEFICIT		
Share Capital (Note 5)	1	1
Deficit	(163,229)	(4,295,989)
	(163,228)	(4,295,988)
	\$ 239,584	\$ 426,147

SUBSEQUENT EVENTS (Note 15)

APPROVED BY THE DIRECTOR:

Afshin Ardalan Director

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

FLEXFI INC.**STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

FOR THE YEAR ENDED AUGUST 31,	2020	2019
		(Reclassified)
REVENUE		
Interest income	\$ 47,595	\$ 383,990
Other income	30,644	49,463
	78,239	433,453
COST OF REVENUE		
Collections costs (reversal) (Note 7)	(140,000)	165,000
Sales expense	5,269	38,880
Bad debt expense (Note 7)	71,585	746,858
Interest expense (Note 14)	-	486,437
	(63,146)	1,437,175
GROSS PROFIT	141,385	(1,003,722)
EXPENSES		
Advertising and promotion	3,561	63,431
Automotive	3,100	5,855
Bank charges	3,598	7,575
Computer	20,106	22,064
Licenses and dues	155	151
Office and miscellaneous	2,215	14,817
Professional fees	142,555	145,076
Rent and occupancy	55,243	101,139
Subcontract services	9,680	82,609
Telephone and internet	6,577	9,537
Travel	422	479
Wages and salaries	258,108	456,093
	505,320	908,826
LOSS FROM OPERATIONS	(363,935)	(1,912,548)
GAIN ON SETTLEMENT OF DEBT	4,242,232	-
IMPAIRMENT OF EQUIPMENT	-	(4,093)
IMPAIRMENT OF INTANGIBLE ASSETS	-	(58,262)
GAIN ON DISPOSAL OF ASSETS	254,463	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	4,132,760	(1,974,903)

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

FLEXFI INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019

	Number of Shares	Share Capital	Deficit	Total Shareholders' Equity
Balance as at August 31, 2018	100,000	\$ 1	\$ (2,321,086)	\$ (2,321,085)
Loss and comprehensive loss for the year			(1,974,903)	(1,974,903)
Balance as at August 31, 2019	100,000	1	\$ (4,295,989)	\$ (4,295,988)
Income and comprehensive income for the year			4,132,760	4,132,760
Balance as at August 31, 2020	100,000	\$ 1	\$ (163,229)	\$ (163,228)

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

FLEXFI INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31,	2020	2019
CASH FLOWS (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net income (loss) and comprehensive income (loss)	\$ 4,132,760	\$(1,974,903)
Items not affecting cash:		
Related party income	(19,224)	-
Gain on settlement of debt	(4,242,232)	-
Impairment of equipment	-	3,009
Impairment of intangible assets	-	59,346
Interest expense	-	486,437
Bad debt expense	71,585	746,858
Collection costs related to loans receivable	(140,000)	140,000
Gain on disposal of assets	(254,463)	-
Changes in non-cash working capital:		
Loans receivable (net)	268,755	867,361
Accounts payable and accrued liabilities	(3,260)	(48,979)
Prepaid expenses	(5,357)	2,083
	(191,436)	281,212
FINANCING ACTIVITIES		
Increase in loans payable	-	102,251
Amounts paid to trustee	(230,000)	-
Net advances to related party	135,393	-
CEBA loan	40,000	-
Interest expense payments	-	(486,437)
	(54,607)	(384,186)
INVESTING ACTIVITIES		
Disposal of assets	230,000	-
Acquisition of equipment	-	(7,365)
Acquisition of intangible assets	-	(937)
	230,000	(8,302)
DECREASE IN CASH	(16,043)	(111,276)
CASH, beginning of year	20,270	131,546
CASH, end of year	\$ 4,227	\$ 20,270

SUPPLEMENTAL INFORMATION WITH RESPECT TO CASH FLOWS:

Cash paid for Interest	\$ -	\$ 486,437
Cash received for interest	\$ 47,595	\$ 383,990

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

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

1. NATURE OF BUSINESS

FlexFi Inc. ("FlexFi" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on April 22, 2013. The registered and records office is located at 2900-550 Burrard Street, Vancouver, BC, V6C 0A3. The Company is also extra-provincially registered in Alberta, Manitoba and Ontario.

The focus of FlexFi's business is to provide consumer loans to clients who either have no access to bank loans, or who prefer the convenience of dealing with an online operator. The Company operates in one segment; providing loans to retails in Canada. All the Company's assets are located in Canada.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements were based on IFRS issued and outstanding as at August 31, 2020. The Company presents its statement of financial position on a non-classified basis in order of liquidity. The financial statements have been prepared on a net realizable value basis using a liquidation basis of accounting. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(b) Liquidation basis of accounting

The financial statements have been prepared under a liquidation basis and amended to reflect the fact that the going concern assumption is not appropriate. This involves writing assets down to their net realizable value based on conditions existing at the end of the reporting period and providing for contractual commitments which may have become onerous as a consequence of the decision to file a proposal with the Office of the Superintendent of Bankruptcy Canada thereby initiating proceedings under Part 3, Division 1 of the Bankruptcy and Insolvency Act.

Under the liquidation basis, all assets are measured at net realizable value, provisions are made for estimated liquidation costs and all assets have been reclassified from non-current to current.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses for the year, as well as the disclosure of contingent assets and liabilities at the date of the financial statements.

In making estimates and judgments, management relies on a number of factors, including historical experience, best knowledge of current events, conditions and actions that the Company may undertake in the future, and other factors believed reasonable under the circumstances. These estimates and judgments are periodically reviewed and have been applied in a manner consistent with the prior period and there are no known trends, commitments, events, or certainties that are believed to materially affect the methodology or assumptions utilized in making those estimates in these financial statements.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

2. BASIS OF PRESENTATION (continued)

These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates. Changes in estimates are recorded in the accounting period in which they are determined. Significant estimates used in determining the amounts recognized in the financial statements are as follows:

i. Capitalization of intangible assets

In applying its accounting policy for costs incurred during the development phase for new software, the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstances in making this assessment including historical experience, costs and anticipated future economic conditions.

Following the adoption of the liquidation basis of accounting, intangible assets are valued at net realizable value which is \$NIL.

ii. Valuation of long-lived assets and asset impairment

Estimated useful lives of equipment and intangible assets are based on management's judgment and experience.

When management identifies that the actual useful lives for these assets differ materially from the estimates used to calculate depreciation and amortization, that change is adjusted prospectively. Due to investment in intangible assets by the Company, variations between actual and estimated useful lives could impact operating results both positively and negatively. Asset lives, depreciation and amortization methods, and residual values are reviewed periodically.

The Company periodically assesses the recoverability of values assigned to long-lived assets after considering potential impairment indicated by such factors as significant changes in technological, market, economic or legal environment, business and market trends, future prospects, current market value and other economic factors.

Following the adoption of the liquidation basis of accounting, equipment and intangible assets are valued at net realizable value which is \$NIL.

iii. Allowance for doubtful accounts

Provision for doubtful accounts is calculated as total outstanding balance on accounts over 180 days who have not made a payment in the past 30 days. The allowance is updated every month to maintain an adequate allowance for doubtful accounts. Allowance for doubtful accounts represents an estimate of the expected credit losses inherent in the existing loan portfolio and is based on a variety of factors, including composition and quality of the portfolio, loan-specific information gathered through collection efforts, delinquency levels, historical charge-off and loss experience, and general economic conditions. The methodology and assumptions used in setting the loan loss allowance are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

iv. Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

2. BASIS OF PRESENTATION (continued)

However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

The Company recognizes revenue to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding promotional discounts. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The Company has concluded that it is acting as principal in all of its revenue arrangements.

i. Interest Revenue

Interest revenue from consumer loans receivable is recognized when earned using the effective interest rate method.

ii. Other Revenue

Other revenue consists primarily of other fees and NSF fees charged during the loan term. Other revenue is recognized when assessed to the customer, when the underlying transaction is completed, and collection is reasonably assured.

(b) Cost of revenues

Cost of revenues consists of provision for doubtful accounts, collection costs and transaction costs. Transaction costs are expenses that relate directly to the acquisition and processing of new customers (excluding marketing) and include such expenses as credit scoring fees, referral fees, commission expense and interest expense.

(c) Loans receivable

Loans receivable consist of unsecured installment loans. Loans receivable are reported net of an allowance for doubtful accounts. Loan terms generally range from 8 to 36 months.

The Company maintains an allowance for doubtful accounts that reduces the carrying value of loans identified as impaired to their estimated realizable amounts.

Loans classified as impaired include loans for which collection of interest and principal payments are in doubt. Loans are also considered impaired if, in management's view, there is no longer reasonable assurance of timely collection for the full amount of principal and interest.

On September 25, 2019, the Company entered into an agreement with Finjoy Inc., a related party, to sell the Company's right, title and interest in the Company's assets, being loans receivable, to Finjoy Inc. pursuant to the proposal and purchase agreement as presented and accepted by creditors under a Notice of Intention to File a Proposal with the Office of the Superintendent of Bankruptcy Canada. Under the purchase agreement the Company sold all of its assets, being loans receivable, to Finjoy Inc. for cash consideration of \$460,000, plus Series 1 Class A Preferred shares of Finjoy Inc. to be issued to the unsecured creditors of the Company. See Note 10 for further details of the transaction.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property and equipment

Property and equipment are accounted for at cost and amortized on the basis of their estimated useful life as follows:

Furniture and equipment	20% diminishing balance
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The useful lives of the equipment are reviewed periodically, and the useful life is adjusted if estimates have changed significantly.

Following the adoption of the liquidation basis of accounting, equipment is valued at net realizable value which is \$NIL

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at costs less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is reflected in net income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period for potential impairment indicators. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in net income.

The Company's website is amortized over its useful life of 5 years.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company's trademarks have been assessed to have an indefinite life.

Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the asset and are recognized in net income when the assets are derecognized.

Following the adoption of the liquidation basis of accounting, intangible assets are valued at net realizable value which is \$NIL.

(f) Cash and cash equivalents

The Company considers highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash equivalents are initially recognized at their fair value plus any attributable transaction costs. Any changes in the fair value of the cash equivalents are recorded in the statement of income and comprehensive income for the period. The Company's policy is to disclose bank balances under cash and cash equivalents, including term deposits with a maturity of three months or fewer from the date of acquisition.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax is the expected tax payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(h) Financial instruments

The Company provides disclosures that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- i. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- ii. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- iii. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- iv. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

(j) The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test ('solely payments of principle and interest').

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

“Principal” for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

In contrast, contractual terms that introduce a more than a minimal exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL. The Company has no financial assets currently measured at FVPL.

(k) Expected credit loss (ECL)

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk (“SICR”) since origination, in which case the allowance is based on the 12 months’ expected credit loss.

The Company groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognized, the Company recognizes an allowance based on 12-month ECLs, which represent lifetime ECLs related to default events that are expected to occur within 12 months after the reporting date. Stage 1 loans also include facilities where the credit risk has subsequently improved such that the increase in credit risks since initial recognition is no longer significant and the loans have been reclassified from Stage 2.

Stage 2: When a loan has shown a SICR since origination, the Company records an allowance for the lifetime ECLs. Stage 2 loans also include facilities where the credit risk has improved, and the loans have been reclassified from Stage 3.

Stage 3: The Company records an allowance for the lifetime ECLs for loans considered to be credit impaired (as outlined below in “Definition of default and cure”).

Both lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

(l) Significant increase in credit risk

The Company has established a policy to assess, at the end of each reporting period, whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The primary indicators of SICR are relative changes in credit scores for loans. The Company also applies a secondary qualitative method for identifying a SICR, such as changes in macroeconomic circumstances or the application of management’s judgment. In certain cases, the Company may also consider that certain events are a SICR as opposed to a default. For a definition of default and cure, refer to the “Definition of default and cure” sub-section of this note. IFRS 9 provides a rebuttable presumption that a SICR has occurred if contractual payments are more than 30 days past due. The Company has not rebutted this presumption.

(m) Calculation of ECLs

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. The cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- i. PD: The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- ii. EAD: The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- iii. LGD: The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call the instrument earlier.

(n) Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. In certain other cases, where qualitative thresholds indicate unlikelihood to pay as a result of a credit event, the Company carefully considers whether the event should result in an assessment at Stage 2 or 3 for ECL calculations.

The combined impact of several events may cause financial assets to become defaulted as opposed to one discrete event. It is the Company's policy to consider a financial instrument as "cured" and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least twelve consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the assessment of whether the SICR will reverse. The Company has also set probation periods for an asset to return to Stage 1.

(o) Write-offs

The Company's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Company believes that there are no reasonable expected future recoveries. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to provisions for losses.

IFRS 15, Revenue from Contracts with Customers

On September 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ["IFRS 15"], which clarifies the principles of recognizing revenue and cash flows arising from contracts with customers.

The new standard includes a five-step recognition and measurement approach, requirements for accounting for contract costs and enhanced disclosure requirements. The adoption of the new standard did not result in any financial adjustments to the Company's financial statements, nor any material changes to the Company's revenue recognition policies.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

4. PROPERTY AND EQUIPMENT

During the year, the Company recorded asset additions of \$NIL (2019 - \$937).

During the year, the Company wrote off equipment with a net book value of \$NIL (2019 - \$3,009) as the Company deemed the assets impaired.

5. SHARE CAPITAL

Authorized:
Unlimited Class A common shares without par value

		2020	2019
100,000	Class A common shares	\$ 1	\$ 1
		\$ 1	\$ 1

The Company's authorized share capital is comprised of an unlimited number of common shares issuable in one or more series.

There were no shares, options, or warrants issued or granted during the years ended August 31, 2020 and 2019.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of: bank deposits; accounts receivable; asset purchase receivable; accounts payable and accrued liabilities; CEBA loan payable; amounts due to Trustee; and amounts due to related party.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(a) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the loans receivable. The Company makes consumer loans to customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company's customers.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by both the Company's credit policies and the lending and collecting practices which are overseen by the Company's Management. Credit quality of the customer is assessed based on a proprietary credit rating, income and debt service ratios. All of the consumer loans receivable as at August 31, 2020 and 2019 were unsecured. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently.

The credit risk related to other loans receivable are managed in accordance with policies and procedures resulting from the possibility of default on payments. The Company performs ongoing credit evaluations of consumers and allows for uncollectible amounts when determined to be appropriate.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(b) Fair values

The carrying values of the financial instruments approximate their fair value due to their short-term nature, and the interest rates represent market interest rates.

(c) Currency risk

Currency risk measures the Company's risk of financial loss due to adverse movements in currency exchange rates.

The Company operates in Canada and there were no significant foreign currency transactions, hence, the Company is not subject to currency risk.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due or will not receive sufficient funds from its third-party lenders to advance to the Company's customers. The Company believes that the cash flow provided by operations will be sufficient in the near term to meet operational requirements and capital spending requirements. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

With the Company in wind-down, there is liquidity risk in that the timing of the proceeds from the purchase agreement (Note 10) is uncertain and the Company may require funding until that date.

(e) Interest rate risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates. As at August 31, 2020 and 2019 the loans payable had a fixed rate of interest.

Accordingly, future changes in interest rates will not affect the amount of interest expense payable by the Company.

(f) Capital management

The Company's objectives for managing capital are to distribute the proceeds of the purchase agreement (Note 10 (b)) to the shareholders as soon as is prudently possible, after allowing for sufficient cash reserves to continue operating and liquidate the Company.

(g) Sensitivity analysis

Based on management's knowledge and experience, the Company does not expect any material movements in the underlying market risk variables over a one-year period

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

7. LOANS RECEIVABLE

Loans receivable represent unsecured installment loans advanced to customers in the normal course of business. The terms of the loan vary from 8 to 36 months. The average term for the loan originated is 12 months. The breakdown of Company's gross loans receivable as at August 31, 2020 and 2019 is as follows:

	2020	2019
Not past due	\$ -	\$ 307,215
1-30 days past due	-	39,583
31-60 day past due	-	33,015
61-90 days past due	-	35,100
91-120 days past due	-	12,169
121-150 days past due	-	13,410
151-180 day past due	-	2,161
Greater than 180 days past due	-	740,038
	-	1,182,691
Allowance for loan losses	-	(636,814)
Collection costs (1)	-	(140,000)
Net realizable value	-	\$ 405,877
Current	\$ -	\$ 547,601
Non-current	-	635,090
	\$ -	\$ 1,182,691

(1) Collection costs consist of accrued legal, trustee, and employee costs involved in collecting loans receivable. During the the current year, this provision was reversed as the portfolio of loans was sold as described in Note 10.

Allowance for loan losses	2020	2019
Balance, beginning of year	\$ -	\$ 442,505
Provision for loan losses	-	194,309
Balance, end of year	\$ -	\$ 636,814

Bad debt expense	2020	2019
Provision for loan losses	\$ -	\$ 194,309
Bad debt written off	-	552,549
	\$ -	\$ 746,858

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

8. RELATED PARTY TRANSACTIONS

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Key management personnel consist of officers and directors.

Balances and transactions with KMP during the year ended August 31, 2020 and 2019 consisted of:

	2020	2019
Amrit Dhaliwal		
Loan payable	\$ -	\$ 307,500
Afshin Ardalan		
Salary paid	99,840	116,000
FS Financial Strategies		
Rent expense	48,051	-
Finjoy Inc.		
Loan receivable	116,188	-
Service income	19,224	-
	\$ 283,303	\$ 423,500

(a) FS Financial Strategies

The loan receivable from FS Financial Strategies has an interest rate of 10%, unsecured, with no terms of repayment. During the year the Company wrote off the loan in the amount of \$NIL (2019 - \$516,361) as it was deemed to be impaired.

The Company entered into a temporary rental agreement with FS Financial Strategies dated January 12, 2017. The rental agreement was terminated during the year.

(b) Amrti Dhaliwal

Loan payable to Amrti Dhaliwal was written-off during the year pursuant to the purchase agreement (Note 10).

(c) Finjoy Inc.

The amounts due from Finjoy Inc. bear no interest and have no fixed terms of repayment. Pursuant to a Service Agreement, dated January 23, 2020, Finjoy Inc. will provide collection and administration of active loans sold to Finjoy Inc. pursuant to the purchase agreement (Note 10), provide administration services for new loan originations and IT services. The Service Agreement is in place for 1 year, and is renewable on an annual basis.

(d) Due to other related parties

The amounts due to other related parties bear no interest and have no fixed terms of repayment.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade accounts payable and accrued liabilities	\$ 16,625	\$ 19,882
Government remittances payable	-	-
	\$ 16,625	\$ 19,882

10. SALE OF ASSETS RECEIVABLE

(a) On August 26, 2019, the Company Filed a Notice of Intention to File a Proposal with the Office of the Superintendent of Bankruptcy Canada thereby initiating proceedings under Part 3, Division 1 of the Bankruptcy and Insolvency Act.

On September 25, 2019, the Company filed the Proposal.

(b) On September 25, 2019, the Company signed a purchase agreement with Finjoy Inc., (a Company with a common director) to sell the Company's right, title and interest in the Company's assets to Finjoy Inc. for gross proceeds of \$460,000 payable in stages from March 31, 2020 to May 31, 2020. In addition, Series 1 Class A Preferred shares of Finjoy Inc. are to be issued to unsecured creditors of the Company.

The purchase agreement is subject to certain conditions precedent before the closing date, which means the third business day after the condition's precedent are satisfied.

(c) On January 23, 2020, the Company signed a confirmation agreement with Finjoy Inc. which acknowledges and confirms that the conditions precedent have been satisfied referred to in note (b).

(d) The amounts collected from the sale of assets to Finjoy Inc. are received by the Trustee in charge of the consumer proposal and in turn repaid to the creditors of the Company. On August 31, 2020 the Company received an extension from the Trustee to repay the outstanding balances to the creditors of the Company.

11. CANADA EMERGENCY BUSINESS ACCOUNT LOAN (CEBA)

The Company applied for and received a \$40,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide working capital to organizations that have been negatively impacted by the COVID-19 pandemic and met certain other criteria to aid them through current challenges and better position them to return to providing services and creating employment. The loan is unsecured.

The CEBA loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, 25% (up to \$10,000) of the loan will be forgiven. If the loan is not paid back by December 31, 2022, the full \$40,000 loan will be converted to a loan repayable over three years with a 5% interest rate.

12. DUE TO TRUSTEE

Pursuant to the asset purchase agreement (Note 10) the gross proceeds of \$460,000 are to be paid to Crowe MacKay & Company Ltd (the Trustee) for distribution to the unsecured creditors of the Company. At August 31, 2020, \$220,000 of the gross proceeds is still outstanding for distribution to the unsecured creditors.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

13. INCOME TAXES

The company accounts for incomes taxes using the taxes payable method. The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	2020	2019
Income(loss) before income taxes	\$ 4,132,760	\$ (1,974,903)
Income tax at the statutory rate 27.0% (2019 - 27.0%)	1,115,845	(533,224)
Excess of amortization over capital cost allowance	(1,213)	-
Non-taxable portion of capital gains	(641,406)	-
Non-deductible expenses for tax purposes	68,738	194,000
Over (under) accrual of income tax provision	-	(20,000)
Other deductible items	(541,964)	-
Change in unrecognized deductible temporary differences	-	359,224
Provision for Income Taxes	\$ -	\$ -

The Company has \$1,647,909 (2019: \$3,655,180) in non-capital losses that expire between 2033-2039.

The Company has undepreciated capital cost balances of \$58,261 (2019: \$62,755).

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

14. LOANS PAYABLE

All of the loans were extended without any penalty or extra interest to the Company. On January 23, 2020, the loans were written-off pursuant to the proposal and asset purchase agreement dated September 25, 2019 (Note 9).

Name	2020	2019	Agreement Date	Annual Interest Rate	Term	Expiry Date
Atousa Hajshirmohammadi	\$ -	\$ 25,625	01-Jan-14	15%	6	30-Jun-14
Atousa Hajshirmohammadi	-	128,125	15-Jun-15	15%	6	14-Dec-15
Amrit Dhaliwal	-	307,500	01-Jun-15	15%	12	31-May-16
Charles Sheng Lu	-	254,168	06-Dec-14	10%	24	05-Dec-17
Chia Yueh Wei	-	406,668	06-Dec-14	10%	24	05-Dec-17
Da- Wei David Chao	-	203,333	15-Mar-15	10%	36	14-Feb-18
Maria Firenze	-	101,666	15-Mar-15	10%	36	14-Feb-18
Pei-Jung Lee	-	306,666	15-Mar-15	10%	36	14-Feb-18
Rebecca Family Trust	-	264,583	15-Mar-15	10%	36	14-Feb-18
Rita Johnson	-	101,666	15-Mar-15	10%	36	14-Feb-18
Rosanna Van Buekenhout	-	101,667	15-Mar-15	10%	36	14-Feb-18
WL Strategic Partners	-	150,000	15-Mar-15	10%	36	14-Feb-18
Yolanda Newman	-	152,500	15-Mar-15	10%	36	14-Feb-18
Jimmy Arthur Jimenez	-	101,667	15-Mar-15	10%	36	14-Mar-18
WL Strategic Partners	-	200,000	15-Apr-15	10%	36	14-Apr-18
Yo Tong Liu	-	203,333	15-Apr-15	10%	36	14-Apr-18
Pei-Jung Lee	-	100,000	15-May-15	10%	36	14-May-18
WL Strategic Partners	-	315,833	06-Jul-15	10%	36	05-Jul-18
Chi Hao Chen	-	152,500	15-Jul-15	10%	36	14-Jul-18
Mei-Jung Su	-	153,000	15-Jul-15	12%	36	14-Jul-18
Yung Chang Liu	-	153,000	15-Jul-15	12%	36	14-Jul-18
Dylan Holdings	-	264,584	10-Feb-16	10%	36	09-Feb-19
Zhi Pang Yang	-	254,167	10-Feb-16	10%	36	09-Feb-19
WL Strategic Partners	-	150,000	07-Apr-16	10%	36	06-Apr-19
WL Strategic Partners	-	150,000	13-Apr-16	10%	36	12-Apr-19
	\$ -	\$ 4,702,251				

15. SUBSEQUENT EVENTS

(a) CEBA loan

Subsequent to year end the Company applied for and received a second CEBA loan in the amount of \$20,000. The additional loan was provided by the Government of Canada to provide working capital to organizations that have been negatively impacted by the COVID-19 pandemic and met certain other criteria to aid them through current challenges and better position them to return to providing services and creating employment. The loan is unsecured.

The additional CEBA loan is interest free to December 31, 2022. If the loan is paid back by December 31, 2022, 50% (up to \$10,000) of the additional loan will be forgiven. If the loan is not paid back by December 31, 2022, the loan will be converted to a loan repayable over three years with a 5% interest rate.

FLEXFI INC.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

15 SUBSEQUENT EVENTS (continued)

(b) Sale of assets receivable

Subsequent to year end the Company received \$80,000 from Finjoy Inc. pursuant to the asset purchase agreement (Note 10).

FlexFi**Statement of Income (Loss) and Comprehensive Income (Loss)****1 Sep '20 - 10 Mar 21****REVENUE**

Other Income	11,652
	11,652

EXPENSES

Wages and Salaries	48,849
Professional Fee	800
Advertising and Promotion	1,174
Office and Miscellaneous	1,290
IT Expenses	2,026
Utilities	2,989
	57,128

NET INCOME (LOSS) **-45,476**

FlexFi
Statement of Financial Position

As At March 10, 2021

ASSETS

CURRENT

Cash	14,423
Sale of assets receivable	65,000
Prepaid Expenses	5,357
	84,780

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	8,680
CEBA Loan	60,000
Due to Trustee	40,000
Due to related party	184,805
	293,485

SHARE CAPITAL AND DEFICIT

Share capital	1
Deficit	-208,705
	-208,704
	84,780

FlexFi**Statement of Cash Flows****For the period ended March 10, 2021****Cash Flows (used in) provided by:****1 Sep '20 - 10 Mar 21****OPERATING ACTIVITIES**

Net Income	- \$	45,476
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Adjustments to reconcile Net Income
to net cash provided by operations:

Due to Related party	\$	68,617
Sale of assets receivable	\$	165,000
Accounts payable and accrued liabilities	- \$	7,944
Due to Trustee	- \$	190,000

Net cash provided by operating activities	- \$	9,803
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FINANCING ACTIVITIES

CEBA Loan	\$	20,000
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Net cash provided by Financial Activities	\$	20,000
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INCREASE IN CASH	\$	10,197
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CASH, Beginning of period	\$	4,227
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CASH, at end of period	\$	14,423
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FlexFi

Statement of changes in shareholders' equity

For the period ended March 10, 2021

	Number of Shares	Share Capital	Deficit	Total Shareholder's Equity
Balance as at Aug 31, 2020	100,000	\$ 1	-\$ 163,229	-\$ 163,228
Loss and comprehensive loss for the period			-\$ 45,476	
Balance as at Mar 10, 2021	\$ 100,000	\$ 1	-\$ 208,705	-\$ 208,704

13. DATE AND CERTIFICATE

DATED May 10, 2021.

This Offering Memorandum does not contain a misrepresentation.

FinJoy Inc.

DocuSigned by:

Afshin Ardalan

Per:

Afshin Ardalan

Director and Chief Executive Officer

Schedule "A" - Subscription Agreement

SUBSCRIPTION FOR SECURITIES **(BRITISH COLUMBIA, ALBERTA AND ONTARIO ACCREDITED INVESTORS AND OTHER ELIGIBLE INVESTORS ONLY)**

TO: FinJoy Inc. (the "Corporation")

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from the Corporation the Securities as set forth in Exhibit 1 or Exhibit 2 to this subscription agreement (the "**Subscription Agreement**") pursuant to an Offering Memorandum of the Corporation dated May 10, 2021 ("**Offering Memorandum**") to which this Subscription Agreement is attached as Schedule A.

The Subscriber may purchase: (a) a Secured Convertible Note of the Corporation on such terms as set out in Exhibit 1 to this Subscription Agreement (each a "**Note**") in the aggregate principal amount set out below and in Exhibit (the "**Principal Amount**"); or (b) Series 1 Class A Preferred shares of the Corporation on such terms as set out in Exhibit 2 to this Subscription Agreement (the "**Shares**") at a subscription price of CAD\$1.00 per Share (the "**Share Price**") for an aggregate subscription price set out below and in Exhibit 2 (the "**Aggregate Share Price**" and together with the Principal Amount individually or collectively, the "**Subscription Price**") in each case, on the terms and conditions set out in this Subscription Agreement and the Offering Memorandum.

The Subscriber agrees to be bound by the terms and conditions set forth in this Subscription Agreement including without limitation the representations, warranties and covenants set forth in the applicable schedules attached thereto. The Subscriber further agrees, without limitation, that the Corporation may rely upon the Subscriber's representations, warranties and covenants contained in such documents.

DATED this _____ day of _____, 20__.

TERMS AND CONDITIONS OF SUBSCRIPTION FOR SECURITIES

1. Offering and Subscription. The Securities being subscribed for hereunder form part of a larger offering (the "**Offering**") of Notes and Shares (individually or collectively, the "**Securities**") pursuant to the Offering Memorandum. The Subscriber acknowledges that the Securities will be issued in connection with the issue of an aggregate of up to 5,000,000 Shares for an aggregate subscription price of up to \$5,000,000, which are to be sold by the Corporation by private placement. The Corporation expects that the Offering may occur in multiple tranches.

By executing this Subscription Agreement, the Subscriber irrevocably offers to purchase from the Corporation, as one of such purchasers: (a) a Note in the principal amount set forth on the first page hereof and in Exhibit 1, (b) that number of the Shares set forth on the first page hereof and in Exhibit 2, subject to the terms and conditions set out herein, or (c) both a Note and the Shares.

The Subscriber acknowledges that the offer is subject to: (a) the acceptance of this subscription by the Corporation, (b) the payment of the Subscription Amount by the Subscriber, (c) receipt of all necessary regulatory approvals, and (d) certain other terms and conditions as set forth herein.

Upon the Corporation's acceptance of this subscription, this Subscription Agreement will constitute an agreement for the purchase by the Subscriber from the Corporation and for the Corporation to issue and

sell to the Subscriber, a Note the number of Shares on the terms and conditions set forth herein. The closing of the Offering (the “**Closing**”) is subject to and will occur in accordance with the terms and conditions set forth herein and the receipt of any necessary regulatory approvals.

2. Representations and Warranties of the Corporation. As of the Closing, the Corporation represents and warrants that:

- (a) The Corporation has been duly incorporated and is validly existing and in good standing under the laws of Canada, with full power and authority to conduct its business as it is currently being conducted and to own its assets; and has secured any other authorizations, approvals, permits and orders required by law for the conduct by the Corporation of its business as it is currently being conducted.
- (b) The Corporation has all requisite corporate power and authority to enter into and carry out its obligations under this Subscription Agreement.
- (c) The Corporation has full corporate power and authority to undertake the Offering of the Securities contemplated hereby and, at the Closing, the Securities will be duly and validly authorized and issued as fully paid and non-assessable Common Shares in the capital of the Corporation.
- (d) The Corporation will have, on the Closing Date, taken all corporate steps and proceedings necessary to approve the transactions contemplated by this Subscription Agreement, including the execution and delivery of this Subscription Agreement.
- (e) The Securities have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Subscription Agreement, will be validly issued, fully paid and non-assessable and will conform in all material respects to the description thereof set forth in the Offering Memorandum.
- (f) This Subscription Agreement is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms subject to the customary limitations with respect to bankruptcy, insolvency or other laws affecting creditor's rights generally and to the availability of equitable remedies.
- (g) The execution and delivery of this Subscription Agreement and the compliance by the Corporation with the terms hereof will not result in any breach or be in conflict with or constitute a default under or create a state of facts that after notice or lapse of time or both would constitute a default under any term or provision of the Corporation's constating documents, by-laws or resolutions of the directors of the Corporation.
- (h) The Corporation is the beneficial owner of or has the right to acquire the interests in the properties, business and assets of the Corporation and any and all agreements pursuant to which the Corporation holds or will hold any such interest in property, business or assets are in good standing in all material respects, in accordance with their terms.

3. Acknowledgements, Representations and Warranties of the Subscriber. The Subscriber, on its own behalf and if applicable on behalf of others for whom it is acting hereunder (“**Beneficial Purchasers**”), hereby acknowledges, represents, warrants to, and covenants with the Corporation as follows and acknowledges that the Corporation is relying on such acknowledgements, representations, warranties and covenants in connection with the transactions contemplated herein:

3.1 General

- (a) The Subscriber is subscribing for the Securities as principal for its own account and not for the benefit of any other person or, if it is not subscribing as principal, it is acting as agent for a Beneficial Purchaser whose identity is disclosed on the face page of this Subscription Agreement and such Beneficial Purchaser is purchasing as principal for its own account and not for the benefit of any other person. If the Subscriber is not subscribing as principal, it and the Beneficial Purchaser acknowledge and understand that the Corporation may be required by law to disclose to certain regulatory authorities the identity of each Beneficial Purchaser for whom the Subscriber is acting.
- (b) The Subscriber (and any Beneficial Purchaser) is purchasing the Securities for its own beneficial account, for investment purposes only and not with a view to or for resale in connection with any distribution of all or any of the Securities.
- (c) This Subscription Agreement and all other necessary documentation in connection with the Offering has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Subscriber and any Beneficial Purchaser. This Subscription Agreement is enforceable in accordance with its terms against the Subscriber or any Beneficial Purchaser as applicable. If the Subscriber, or any Beneficial Purchaser for whom the Subscriber is contracting hereunder, is:
 - (i) a corporation, the Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities as contemplated herein and to carry out and perform its obligations under the terms of this Subscription Agreement;
 - (ii) a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or
 - (iii) an individual, the Subscriber is of the full age of majority and is legally competent to execute this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder.
- (d) The execution and delivery of this Subscription Agreement, the performance and compliance with the terms hereof and the subscription for Securities and the completion of the transactions described herein by the Subscriber will not result in any material breach of, be in conflict with, constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber (or any Beneficial Purchaser), the Securities Laws or any other laws applicable to the Subscriber (or any Beneficial Purchaser), any agreement to which the Subscriber (or any Beneficial Purchaser) is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber (or any Beneficial Purchaser).
- (e) This offer to subscribe is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber without the consent of the Corporation.

- (f) The Subscriber understands that, unless the Subscriber notifies the Corporation in writing to the contrary at or before the Closing, each of the Subscriber's representations and warranties contained in this Subscription Agreement (and in any Appendix to this Subscription Agreement) will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by the Subscriber.
- (g) The Subscriber acknowledges that the Corporation has the right in its sole and absolute discretion to abandon the Offering at any time prior to the completion of the Offering. This Subscription Agreement will thereafter have no force or effect and the Corporation will return the previously paid Subscription Price of the Securities, without interest or deduction thereon, to the Subscriber.

3.2 Risks of an Investment in the Securities and No Representations

- (a) The Subscriber and any Beneficial Purchaser understand and accept that the purchase of the Securities involves various risks, including the risks outlined in the Offering Documents and this Subscription Agreement. The Subscriber (and if the Subscriber is not purchasing as principal, each Beneficial Purchaser for whom the Subscriber is acting):
 - (i) has such knowledge, skill and experience in financial, investment and business affairs as to be capable of evaluating the merits and risks of its investment in the Securities;
 - (ii) is capable of assessing the merits and risks of its investment in the Securities (including the potential loss of its entire investment);
 - (iii) is aware of the characteristics of the Securities and understands the risks relating to an investment therein; and
 - (iv) is able to bear the economic risk of loss of its investment in the Securities.
- (b) With the assistance of the Subscriber's (and any Beneficial Purchaser's) own professional advisors, to the extent that the Subscriber (and any Beneficial Purchaser) has deemed appropriate, the Subscriber has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Securities and the consequences of this Subscription Agreement. The Subscriber (and any Beneficial Purchaser) has considered the suitability of the Securities as an investment in light of its own circumstances and financial condition and its authority to invest in the Securities.
- (c) No person has made any written or oral representations:
 - (i) that any person will resell or repurchase the Securities;
 - (ii) that any person will refund the Subscription Price; or
 - (iii) as to the future price or value of the Securities.
- (d) In deciding to purchase the Securities, the Subscriber is not relying on the advice or recommendations of the Corporation and the Subscriber has made its own independent decision that the investment in the Securities is suitable and appropriate for the Subscriber. The Subscriber hereby confirms that the Corporation has not:

- (i) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Securities; or
 - (ii) made any representation to the Subscriber regarding the legality of an investment in the Securities under applicable legal investment or similar laws or regulations.
- (e) The Subscriber is not relying on (and will not at any time rely on) any communication (written or oral) of the Corporation, as investment advice or as a recommendation to purchase the Securities, it being understood that information and explanations related to the terms and conditions of the Securities and the other transaction documents that are described in the Offering Documents will not be considered investment advice or a recommendation to purchase the Securities.
- (f) There is no government or other insurance covering the Securities.
- (g) No agency, governmental authority, securities commission or similar regulatory body, stock exchange or other entity has reviewed, passed on or made any finding or determination as to the merit for investment of the Securities nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Securities.

3.3 Jurisdiction and Investor Status

- (a) The Subscriber and each Beneficial Purchaser for whom it is acting is a resident or, if not an individual, has its head office in the jurisdiction set out on the face page of this Subscription Agreement and such address was not created and is not solely used for the purpose of acquiring the Securities. The Subscriber is subject to the Securities Laws and has and will comply with the Securities Laws in respect of the Offering and the Securities, including with respect to the transfer and resale restrictions.
- (b) The Subscriber and any person for whom it is acting (including any Beneficial Purchaser) is not a U.S. Person and is not subscribing for Securities for the account of a U.S. Person or for resale in the United States, and the Subscriber confirms that the Securities have not been offered to the Subscriber in the United States and this Subscription Agreement has not been signed in the United States.
- (c) Neither the Subscriber nor any person for whom it is acting (including any Beneficial Purchaser) will offer, sell or otherwise dispose of the Securities in the United States or, to its knowledge, to a U.S. Person, unless the Corporation has consented to such offer, sale or disposition and such offer sale or disposition is made in accordance with an exemption from the registration requirements of the U.S. Securities Act and the securities laws of all applicable states of the United States or the U.S. Securities and Exchange Commission has declared effective a registration statement in respect of such Securities.
- (d) The Subscriber is aware that the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state and that the 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 it acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities.

3.4 Corporation Information

- (a) The Subscriber has received a copy of the Offering Documents. The Subscriber has not been furnished with any offering literature other than the Offering Documents and has relied only on the information contained therein. The Subscriber's decision to subscribe for Securities was based solely upon the Offering Documents and on this Subscription Agreement. The Subscriber's decision to subscribe for the Securities was not based upon, and the Subscriber has not relied upon, any verbal or written representations as to fact made by or on behalf of the Corporation.
- (b) The Subscriber is familiar with the business and financial condition and operations of the Corporation, all as generally described in the Offering Documents. The Subscriber has had access to such information concerning the Corporation and the Securities as it deems necessary to enable it to make an informed investment decision concerning the purchase of the Securities.
- (c) The Subscriber confirms that it is not relying on any communication (written or oral) of the Corporation or any of its affiliates as investment advice or as a recommendation to purchase the Securities. It is understood that information and explanations related to the terms and conditions of the Securities provided in the Offering Documents or otherwise by the Corporation or any of its affiliates will not be considered investment advice or a recommendation to purchase the Securities and that neither the Corporation nor any of its affiliates is acting or has acted as an advisor to the Subscriber in deciding to invest in the Securities.
- (d) If the Subscriber is a **resident of a jurisdiction of Canada and received an offering memorandum:**
 - (i) The Subscriber has completed, executed and delivered to the Corporation within the applicable time period the risk acknowledgement in Form 45-106F4 attached as Appendix B.
 - (ii) The information contained in the completed certificates and forms (as applicable), including the representations and warranties made therein, is complete, true and correct as of the date of execution of this Subscription Agreement and the Closing Date.
 - (iii) Any information that has been furnished or that will be furnished by the Subscriber (or any Beneficial Purchaser) to evidence its acknowledgment of the risks of the investment is accurate and complete and does not contain any misrepresentation or material omission.]
- (e) If the Subscriber is an individual and a resident of Ontario or Alberta and received an offering memorandum:
 - (i) The Subscriber: (A) meets the definition of "accredited investor" as defined in section 1.1 of NI 45-106 (or, if a resident in Ontario, as defined in section 73.3 of the OSA) or is in one of the relationships referred to in section 2.5(1) of NI 45-106; (B) meets the definition of "eligible investor" in section 1.1 of NI 45-106 as indicated in Appendix B and the acquisition cost of all securities acquired by the Subscriber under section 2.9(2.1) of NI 45-106 in the preceding 12 months does not exceed CDN\$30,000; (C) meets the definition of "eligible investor" in section

1.1 of NI 45-106 as indicated in Appendix B, received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable and the acquisition cost of all securities acquired by the Subscriber under section 2.9(2.1) of NI 45-106 in the preceding 12 months does not exceed CDN\$100,000; or (D) the acquisition cost of all securities acquired by the Subscriber under section 2.9(2.1) of NI 45-106 in the preceding 12 months does not exceed CDN\$10,000.

- (ii) The information contained in the completed certificates and forms (as applicable), including the representations and warranties made therein, is complete, true and correct as of the date of execution of this Subscription Agreement and the Closing Date.
- (iii) Any information that has been furnished or that will be furnished by the Subscriber (or any Beneficial Purchaser) to evidence its status as an investor is accurate and complete, and does not contain any misrepresentation or material omission.

3.5 Securities Laws

- (a) The Corporation is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the Securities Laws and, as a consequence of acquiring the Securities pursuant to such exemption:
 - (i) certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission and certain statutory remedies against an issuer, underwriters, auditors, directors and officers that are available to investors who acquire securities offered by a prospectus, will not be available to the Subscriber;
 - (ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with the Securities acquired pursuant to the Offering;
 - (iii) the Subscriber may not receive information that would otherwise be required to be given under the Securities Laws; and
 - (iv) the Corporation is relieved from certain obligations that would otherwise apply under the Securities Laws.
- (b) If required by applicable Securities Laws, the Subscriber and each Beneficial Purchaser for whom it is contracting hereunder will execute, deliver and file or assist the Corporation in filing such reports, undertakings and other documents with respect to the issue of the Securities as may be required by any securities commission, stock exchange or other regulatory authority.
- (c) The Corporation is relying on the acknowledgements, representations, warranties and covenants contained herein and in the applicable Appendices attached hereto to determine the Subscriber's eligibility to subscribe for Securities under applicable Securities Laws and to ensure that the Corporation can rely on an exemption from the prospectus requirements of the Securities Laws. The Subscriber agrees to indemnify the Corporation and each of its directors, officers, employees, agents and representatives against all losses, claims, costs, expenses, damages or liabilities, which the Corporation or any of the foregoing persons may suffer or incur as a result of or arising from reliance thereon. The Subscriber undertakes to immediately notify the Corporation of any change in any statement or other

information relating to the Subscriber set forth in this Subscription Agreement or the attached Appendices, which takes place prior to the Closing Date.

3.6 Transfer and Resale Restrictions and Securities Legends

- (a) The Subscriber's ability to transfer the Securities is limited by, among other things, applicable Securities Laws.
- (b) The Securities will be subject to statutory resale restrictions under the Securities Laws and the Subscriber covenants that it will not resell, assign, pledge, give, transfer or otherwise dispose of the Securities or any interest therein, or make any offer or attempt to do any of the foregoing except in compliance with such laws and the Subscriber acknowledges that it is solely responsible (and the Corporation is not in any way responsible) for such compliance.
- (c) The Subscriber acknowledges that no representations or warranties have been made regarding the applicable hold periods and transfer restrictions imposed by the Securities Laws or other resale restrictions applicable to such Securities that restrict the ability of the Subscriber (or others for whom it is contracting hereunder) to resell such Securities, that the Subscriber (or others for whom it is contracting hereunder) is solely responsible to find out what these restrictions are, that the Subscriber is solely responsible (and the Corporation is not in any way responsible) for compliance with applicable resale restrictions and that the Subscriber is aware that it may not be able to resell such Securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.
- (d) The certificates representing the Securities will bear, as of the Closing Date, legends setting out resale restrictions under applicable securities legislation, and unless permitted under applicable securities legislation, the Securities may not be traded before the date that is four months and a day after the later of: (i) Closing; and (ii) the date the issuer became a reporting issuer in any province or territory.

3.7 Anti-Money Laundering

The Subscription Price or the Principal which will be advanced by the Subscriber to the Corporation hereunder does not and will not represent the proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), S.C. 2000, c. 17 (the "PCMLTFA"), and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the name of the Subscriber 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:

- (a) none of the subscription funds provided by the Subscriber have been or will be derived directly or indirectly 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 are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and
- (b) the Subscriber will promptly notify the Corporation if it discovers that any of such representations cease to be true and to provide the Corporation with appropriate information in connection therewith.

3.8 Personal Information

- (a) The information provided by the Subscriber on the face page of this Subscription Agreement identifying the name, address and telephone number of the Subscriber, the number of Securities being purchased hereunder and the total purchase price as well as the Closing Date and the exemption that the Subscriber is relying on in purchasing the Securities will be disclosed to the securities regulators in the Province of residence for the Subscriber, and such information is being indirectly collected by such securities regulators under the authority granted to it under the Securities Laws. This information is being collected for the purposes of the administration and enforcement of the Securities Laws in such Provinces. Each Subscriber (for certainty including each Beneficial Purchaser) hereby authorizes the indirect collection of such information by the such securities regulators. In the event the Subscriber has any questions with respect to the indirect collection of such information by such securities regulators, the Subscriber should contact the relevant securities regulator at:

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
 Calgary, Alberta T2P 0R4
 Telephone: 403-297-6454
 Toll free in Canada: 1-877-355-0585
 Facsimile: 403-297-2082
 Public official contact regarding indirect
 collection of information: **FOIP**
Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
 701 West Georgia Street
 Vancouver, British Columbia V7Y 1L2
 Inquiries: 604-899-6854
 Toll free in Canada: 1-800-373-6393
 Facsimile: 604-899-6581
 Email: FOI-privacy@bcsc.bc.ca
 Public official contact regarding indirect collection of
 information: **FOI Inquiries**

Ontario Securities Commission

20 Queen Street West, 22nd Floor
 Toronto, Ontario M5H 3S8
 Telephone: 416-593- 8314
 Toll free in Canada: 1-877-785-1555
 Facsimile: 416-593-8122
 Email:
 exemptmarketfilings@osc.gov.on.ca
 Public official contact regarding indirect
 collection of information: **Inquiries**
Officer

- (b) The Subscriber acknowledges and consents to the fact that the Corporation is collecting the Subscriber's (and any Beneficial Purchaser's) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any other applicable similar, replacement or supplemental provincial or federal laws in effect from time to time) for the purpose of completing this Subscription Agreement. The Subscriber acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law. The Subscriber further acknowledges and consents to the fact that the Corporation may be required by the Securities Laws, the rules and policies of any stock exchange or the rules of the Investment Industry Regulatory Organization of Canada to provide regulatory authorities with any personal information provided under this Subscription Agreement. In addition to the foregoing, the Subscriber agrees and acknowledges that the Corporation may use and disclose the Subscriber's personal information, as follows:

- (i) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber;
- (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;
- (iii) for disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
- (iv) for disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (v) for disclosure to professional advisers of the Corporation in connection with the performance of their professional services;
- (vi) for disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber's prior written consent;
- (vii) for disclosure to a court determining the rights of the parties under this Subscription Agreement; or
- (viii) for use and disclosure as otherwise required or permitted by law.

3.9 Independent Legal Advice

- (a) The Subscriber and each Beneficial Purchaser for whom it is acting hereunder is responsible for obtaining such legal, investment, tax and other advice as it considers appropriate in connection with its evaluation of the Securities and the execution, delivery and performance of this Subscription Agreement and the transactions contemplated under this Subscription Agreement.
- (b) The Subscriber, and each Beneficial Purchaser for whom it is contracting hereunder, has been advised to consult its own legal advisors with respect to trading an investment in the Securities and with respect to the resale restrictions imposed by the Securities Laws, the Subscriber is solely responsible (and the Corporation is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it (or the Beneficial Purchaser for whom it is contracting hereunder) may not be able to resell such Securities except in accordance with limited exemptions under the Securities Laws.

4. Acknowledgements.

- (a) The representations, warranties and covenants contained herein (including those made in any certificate or document referenced herein) are made by the Subscriber with the intent that they be relied upon by the Corporation in determining the eligibility of the Subscriber as a purchaser of Shares. The Subscriber undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the Subscriber set forth herein (including those made in any certificate or document referenced herein) which takes place prior to the Closing Time.
- (b) At the request of the Corporation, the Subscriber waives, and agrees to waive on an annual basis, the requirement to receive audited financial statements of the Corporation and at the

request of the Corporation, the Subscriber agrees to sign such consents, waiver or other documents as may be required to be signed to waive the requirement for appointment of an auditor for the Corporation for the ensuing year following .

5. **Delivery of Subscription Agreement and Payment.** The Subscriber agrees to deliver to the Corporation as soon as possible and, in any event, no later than 11:00 a.m. (Vancouver time) on the day which is two business days before the Closing Date, the following:

- (a) this completed and duly executed Subscription Agreement;
- (b) a fully executed Risk Acknowledgement in the form provided by the Corporation;
- (c) if applicable, a completed and duly executed Eligible Investor Certificate, or Certificate of Accredited Investor in the form set out in Schedule “B” to the Offering Memorandum;
- (d) a certified cheque or bank draft made payable to, or wire transfer delivered to Fasken Martineau DuMoulin LLP in Trust on or before the Closing Date (or such other date as the Corporation may advise) for the Securities purchased; and
- (e) such other documents as may be required as contemplated herein or required under applicable securities legislation or stock exchange rules.

The Subscriber acknowledges and agrees that such other documents, when executed and delivered by the Subscriber will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Corporation and agrees that such representations, warranties and covenants will be true and correct both as of the execution of this subscription and as of the Closing Time and will survive the purchase of the Shares hereunder and shall continue in full force and effect notwithstanding any subsequent disposition of the Shares. The Subscriber consents to the filing of any such documents as may be required to be filed with any securities regulatory authority or stock exchange in connection with the transactions contemplated hereby.

6. **Closing.** Subject to the terms and conditions herein, the Closing of the Offering will occur at – see accompanying offering memorandum - or at such other place as the Corporation may decide, at 11:00 a.m. (Vancouver time) (the “**Closing Time**”), on such date or dates as the Corporation may determine in its sole discretion (each a “**Closing Date**”), as determined by the Corporation.

7. **Costs.** All costs and expenses incurred by the Subscriber (including any fees and disbursements of any counsel obtained by it) relating to the sale of the Securities hereunder shall be borne by the Subscriber.

8. **Currency.** All references to dollars “\$” are to Canadian currency.

9. **Acceptance of Subscription.** This subscription may be accepted in whole or in part by the Corporation and the right is reserved to the Corporation to allot to any Subscriber less than the amount of Shares subscribed for. The sale and delivery of the Shares to the Subscriber are conditional upon such sale being exempt from the requirement to file a prospectus under any applicable securities laws relating to the sale of the Securities.

10. **Confidentiality and Privacy.** The Subscriber acknowledges and consents to the fact that the Corporation is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada)

and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the Subscriber (collectively “**Personal Information**”), for the purpose of completing this Subscription Agreement. The Subscriber acknowledges and consents to the Corporation retaining such Personal Information for as long as permitted or required by law or business practices. The Subscriber agrees and acknowledges that the Corporation may use and disclose such Personal Information for:

- (a) internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber;
- (b) use and disclosure for income tax-related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;
- (c) disclosure to professional advisers of the Corporation in connection with the performance of their professional services;
- (d) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory filings;
- (e) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber’s prior written consent;
- (g) disclosure to a court determining the rights of the parties under this Subscription Agreement; and
- (h) use and disclosure as otherwise required or permitted by law.

In addition, the Subscriber further acknowledges and consents to the fact that the Corporation may be required to provide any one or more of the Canadian securities regulators, stock exchanges or other regulatory agencies, the Canada Revenue Agency or the Corporation’s registrar and transfer agent with any Personal Information provided by it in this Agreement, and may make any other filings of such Personal Information as the Corporation and its counsel deem appropriate, and the Subscriber hereby consents to and authorize the foregoing use and disclosure of such Personal Information and agrees to provide, on request, all particulars required by the Corporation in order to comply with the foregoing.

11. Execution of Subscription Agreement. The Corporation shall be entitled to rely on delivery by facsimile machine or other electronic copy of an executed copy of this subscription, and acceptance by the Corporation of such facsimile or other electronic copy shall be equally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof.

12. Counterparts. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

13. English Language. The Subscriber hereby acknowledges that it has consented that the Subscription Agreement and all documents evidencing or relating in any way to the purchase be drawn up in the English language only.

14. Governing Law. The contract arising out of this Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein without regard to principles of conflicts of law. The Subscriber irrevocably attorns to the jurisdiction of the courts in the Province of British Columbia, with respect to matters arising out of this Subscription Agreement.

15. Successors and Assigns. The terms and conditions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Corporation and their respective successors and assigns. Except as otherwise provided in this Subscription Agreement, this Subscription Agreement shall not be assignable or transferable by any party without the written consent of the other party hereto.

16. Entire Agreement and Headings. This Subscription Agreement (including the schedules hereto) and the Offering Memorandum contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. The headings contained herein are for convenience only and shall not affect the meanings or interpretation hereof.

17. Interpretation. Unless the context requires otherwise, words importing the singular include the plural and vice versa, and words importing gender include any gender. Each of the terms “including”, “include” and “includes”, when used in this Subscription Agreement, is not limiting whether or not non-limiting language (such as “without limitation”, “without limiting the foregoing”, “but not limited to” or words of similar import) is used with reference thereto.

18. Survival. This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the Subscriber notwithstanding the completion of the purchase of the Securities by the Subscriber pursuant hereto, the completion of the Offering and any subsequent disposition by the Subscriber of the Shares.

19. Rights of Action for Damages or Rescission. The Subscriber shall have the rights set forth in the Offering Memorandum under Item 11 – Subscriber’s Rights as if such rights were fully set forth in this Subscription Agreement and such rights are hereby incorporated by reference herein.

20. Statutory References. Any reference to a statute or enactment herein is a reference to a statute or enactment as amended.

21. Time of Essence. Time shall be of the essence in this Subscription Agreement.

22. Notices. Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

Finjoy Inc.
1050-1641 Lonsdale Avenue,
North Vancouver, BC, V7M 2J5
Attention: Afshin Ardalan
Email: info@finjoy.com

and, in the case of notice to be given to the Subscriber be addressed to the address provided on the first two pages of this Subscription Agreement by the Subscriber. Any such notice or other communication shall be in writing and may be given by facsimile or delivery, and shall be deemed to have been given 12 hours after being faxed or upon receipt by a responsible officer of the addressee if delivered.

23. **Consent to Electronic Communication.** The Subscriber acknowledges that the Corporation has a program for delivery to its shareholders of notices, documents, records or other information (each, a "**Document**" and collectively, "**Documents**") electronically rather than traditional mailing of a paper copy and hereby agrees that (a) Documents from the Corporation may be delivered electronically and may include, among others: (i) notices of meetings of the shareholders, and related material and forms of proxy, including annual general meeting and special general meetings; (ii) shareholder communications from the Corporation; (iii) annual or interim financial statements of the Corporation; and (iv) other notices, documents or information that the Corporation is required or permitted to send by statute or regulation, its Articles, Bylaws or this Agreement; (b) the Documents that may be delivered electronically to the Subscriber will be delivered to the email address designated by the Subscriber to the Corporation from time to time; and (c) a Document is considered to be provided by the Corporation once it is sent by the Corporation electronically and such delivery shall not require any proof of receipt and shall be deemed to have complied fully with the provisions of the *Canada Business Corporations Act*, or the Articles and Bylaws of the Corporation.

24. **Regulatory Approval.** Without limitation, this Agreement and the transactions contemplated hereby are conditional upon and subject to regulatory approval.

25. **Effective Date.** This Subscription Agreement is intended to and shall take effect on the date the Subscription Agreement was accepted by the Corporation below, notwithstanding the actual date of execution or delivery by the Subscriber.

Schedule "A" Exhibit 1

Subscription for a Convertible Note

TO: **FinJoy Inc. (the "Corporation")**

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from the Corporation a Convertible Note pursuant to the Terms and Conditions of Subscription for Securities attached as Schedule A to which this Exhibit 1 is attached (the "**Subscription Agreement**") pursuant to an Offering Memorandum of the Corporation dated May 10, 2021 ("**Offering Memorandum**") in the amount set out below.

The Subscriber acknowledges and agrees that the Convertible Note shall have the terms, rights and entitlements as attached to this Subscription Agreement.

Aggregate Principal of the Convertible Note to be Subscribed

PLEASE DELIVER THE AGGREGATE PRINCIPAL AS PER THE WIRE INSTRUCTIONS SET OUT BELOW.

CDN\$ _____

Name of Subscriber:

Account Reference (if applicable):

BY: _____

Address, Province and Postal Code:

(Authorized Signature)

Title (if Subscriber is not an individual):

Telephone Number: _____

Email Address: _____

Beneficial Purchasers

Account Registration Information

If the Subscriber is signing as an agent for a beneficial purchaser and is not purchasing as a trustee or agent on accounts fully managed by it, complete the following:

Name: _____

Name of Beneficial Purchaser:

Account Reference (if applicable):

Address of Beneficial Purchaser (including Province and Postal Code):

Address (including Province and Postal Code):

The foregoing is acknowledged, accepted and agreed to this ____ day of _____, 20__.

FINJOY INC.

Per: _____
Authorized Signatory

Wire Instructions for Delivery of the Aggregate Principal



FINJOY INC.**UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Unsecured Convertible Promissory Note is dated for reference as of _____, 20____ (the “**Effective Date**”).

BY:

FINJOY INC., a corporation having an address at 1050-1641 Lonsdale Avenue,
North Vancouver, BC, V7M 2J5

(the “**Corporation**”)

IN FAVOUR OF:

(the “**Subscriber**”)

RECITALS:

A. The Subscriber has provided a loan in the principal amount of \$ _____ (the “**Principal**”) to the Corporation and the Corporation wishes to enter into this Unsecured Convertible Promissory Note (“**Note**”) with the Subscriber on the date hereof to evidence the obligations of the Corporation to repay the Indebtedness (as defined below) and to set out other terms in respect of the Indebtedness.

B. This Note is one of a series of unsecured convertible notes (collectively, the “**Notes**”). issued by the Corporation pursuant to an offering as set out in an Offering Memorandum of the Corporation dated May 10, 2021 (the “**Offering**”).

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt of which is hereby acknowledged, the parties covenant and agree with each other as follows:

PART 1
PRINCIPAL AND SECURITY

1.1 Promise to Pay. As consideration for the Principal advanced, the Corporation agrees to pay to or to the order of the Subscriber the Indebtedness, subject to the terms set out in this Note.

1.2 Interest. The Principal remaining from time to time unpaid and outstanding shall bear interest, both before and after demand and judgment to the date of the repayment in full of the Principal, at the rate of 8% per annum (“**Interest**” and together with the Principal, the “**Indebtedness**”). Interest at such rate shall accrue daily and be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and shall be payable on a monthly basis on the last day of each month. Overdue interest shall bear interest at the rate of 10% per annum, calculated as aforesaid.

1.3 Maturity Date . The outstanding portion of the Principal shall become due and payable 36 months after the Effective Date (the “**Maturity Date**”), unless the Principal is converted pursuant Article 3 below.

1.4 Security. The Principal loaned shall be an unsecured obligation of the Corporation.

1.5 Prepayment. The Corporation shall have the right to repay the Indebtedness or any portion of the Indebtedness at any time upon prior to Maturity Date unless the Indebtedness is converted in accordance with this Note, provided that the Corporation has provided a notice of prepayment top the Subscriber not later than 14 days prior to the date of repayment (the “**Repayment Notice**”).

PART 2 CONVERSION

2.1 Qualified Financing Conversion. If the Corporation at any time before the full repayment of the Principal issues fully paid and non-assessable shares in the capital of the Corporation (the “**Next Financing Securities**”) raising gross proceeds of at least \$4,000,000, excluding the amounts raised from the conversion of this Note or any other Notes issued under the Offering (a “**Qualified Financing**”), then all of the outstanding Principal will at the option of the Subscriber be converted into Next Financing Securities issued under the Qualified Financing at a price per share which is equal to the lower of: (a) the lowest price per Next Financing Security (or units thereof) sold in the Qualified Financing (excluding any other discounts on any indebtedness converted into Next Financing Securities in connection with the Qualified Financing); and (b) \$1.25 per share (the “**Conversion Price per Share**”).

2.2 Liquidity Event. In the event of occurrence of: (i) an amalgamation, merger or reorganization of the Corporation, or a sale of the shares of the Corporation, whereby the shareholders of the Corporation immediately prior to such a transaction will not, directly or indirectly, have control of more than 50% of the votes capable of being cast at a general meeting of the shareholders of the Corporation after the completion of such transaction, or (ii) a sale of all or substantially all of the Corporation’s assets or undertaking (other than as part of an amalgamation, merger or reorganization with subsidiaries or affiliates of the Corporation) (a “**Liquidity Event**”), the Subscriber shall have the right to elect to be repaid the Indebtedness or have the Indebtedness converted into Preferred Shares at the Conversion Price per Share.

2.3 Optional Conversion. The Subscriber shall have the right to convert the Indebtedness or any portion of it at any time into Preferred Shares as the price of \$1.25 per share, including for clarity, after the date of Repayment Notice has been provided to the Subscriber.

Issuance of Next Financing Securities upon Conversion. Within 15 days after conversion of this Note, the Corporation, at its expense, will cause to be issued in the name of and delivered to the Subscriber, a certificate for the number of Next Financing Securities or Preferred Shares, as applicable, to which the Subscriber shall be entitled upon such conversion, which certificates shall include legends restricting transfer required under applicable securities laws. No fractional shares will be issued upon conversion of this Note. If, upon conversion of this Note, a fraction of a share would result, the Corporation will issue the closest whole share such that the shares issued will be fully paid.

2.5 Adjustment Provisions. If, at any time, prior to the Maturity Date or the date on which this Note is converted in full in accordance with the terms hereof, the Corporation:

- (a) proposes to reduce or adjust the number of outstanding shares of any class outstanding following a consolidation or combination;
- (b) proposes to increase the number of outstanding shares of any class outstanding following a subdivision or split;
- (c) proposes to change, reclassify, re-designate, convert or regroup shares of any class;

- (d) proposes to issue shares or securities convertible, exchangeable or exercisable for shares of any class or rights, options or warrants to holders of all or substantially all shares of any class other than currently outstanding convertible securities and other than pursuant to the Corporation's existing employee stock option plan;
- (e) proposes to make a special distribution of securities of the Corporation, evidences of indebtedness, assets (including cash) or rights exercisable therefor;
- (f) proposes to amalgamate or merge with another corporation or transfer all or substantially all of its assets to another corporation; or
- (g) proposes any other reorganization of its share capital or other action that would affect the rights of the Subscriber hereunder,

then appropriate proportional adjustments or changes shall be made to the number, nature or category or conversion price, as the case may be, of the shares into which the Indebtedness is convertible in such a way that the Subscriber and the Corporation will not be, following said adjustments or changes, in neither a more favourable nor less favourable position than it was before such adjustment or change.

PART 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Subscriber.

- (a) The Subscriber represents and warrants to the Corporation, and acknowledges that the Corporation is relying on these representations and warranties to, among other things, ensure that it is complying with all of the applicable rules, policies, notices, orders and legislation of any kind whatsoever of any securities regulatory body having jurisdiction (collectively, the "**Securities Rules**"), that:
 - (i) the Subscriber is acquiring this Note as principal for its own account and not for the benefit of any other person;
 - (ii) the Subscriber was offered the Notes in, and is resident in the province or jurisdiction set out on the first or second page of this Note as the "Lender's Residential or Head Office Address", which address is the Subscriber's residence or place of business and was not created and is not used solely for the purpose of acquiring the Note;
 - (iii) if the aggregate value of the Note is over CDN\$10,000, then the Subscriber is an "accredited investor" and has delivered a Accredited Investor Certificate to the Corporation; and
 - (iv) the Subscriber is NOT a U.S. Person (as defined in Regulation S promulgated under the United States Securities Act of 1933) and is not purchasing the Note for the account or benefit of, directly or indirectly, a U.S. Person or a Person in the United States, and the Subscriber (or the Subscriber's authorized signatory, if it is an entity) is outside the United States when receiving and executing this Note;
- (b) If the Subscriber is a corporation, the Subscriber is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Note and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber is a partnership, syndicate, trust or

other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Note and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in either case, upon the Corporation executing and delivering this Note, this Note will constitute a legal, valid and binding contract of the Subscriber enforceable against the Subscriber in accordance with its terms and neither the agreement resulting from such acceptance nor the completion of the transactions contemplated hereby conflicts with, or will conflict with, or results, or will result, in a breach or violation of any law applicable to the Subscriber, any constating documents of the Subscriber or any agreement to which the Subscriber is a party or by which the Subscriber is bound.

PART 4

ACKNOWLEDGMENTS AND AGREEMENTS

4.1 Acknowledgements and Agreements of the Subscriber. The Subscriber acknowledges and agrees that:

- (a) because this loan is being made pursuant to the exemptions from the registration and prospectus requirements under the Securities Rules (“**Exemptions**”):
 - (i) the Subscriber is restricted from using certain of the civil remedies available under the applicable Securities Rules,
 - (ii) the Subscriber may not receive information that might otherwise be required to be provided to the Subscriber under the applicable Securities Rules if the Exemptions were not being used, and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under the applicable Securities Rules if the Exemptions were not being used;
- (b) that this Note and if applicable the shares acquired by the Subscriber upon conversion of this Note (collectively the “**Securities**”) will be subject to such trade restrictions as may be imposed by operation of applicable Securities Rules and that the Corporation may be required to legend the certificates representing such Securities with those restrictions. This will prevent the Subscriber from reselling the Securities except in very limited circumstances. The Subscriber further acknowledges and agrees that it is the Subscriber’s obligation to comply with the trade restrictions in all applicable jurisdictions and the Corporation offers no advice as to those trade restrictions except as provided for herein. The Subscriber further acknowledges that it may never be able to resell the Securities;
- (c) that no securities commission has evaluated or endorsed the merits of the Securities and that the Corporation has no duty to tell the Subscriber whether the Securities are a suitable investment. The Subscriber further acknowledges that it is investing in the Corporation entirely at its own risk and it may lose all of the Principal;
- (d) this Note and any securities acquired upon the exercise of this Note will be subject to such trade restrictions as may be imposed by operation of applicable securities rules and that the Corporation may be required to legend the certificates representing such securities with those restrictions. This will prevent the Subscriber from reselling these securities except in very limited circumstances. In this regard, the Subscriber acknowledges that such trade restrictions provide that the Subscriber must hold and not sell, transfer or in any manner dispose (collectively, the “**Disposition**”) of the securities unless the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately

preceding the Disposition. The Subscriber further acknowledges and agrees that it is the Subscriber's obligation to comply with the trade restrictions in all of the applicable jurisdictions and the Corporation offers no advice as to those trade restrictions except as provided for herein. The Subscriber further acknowledges that it may never be able to resell these securities; and

- (e) it understands that this Note and any securities issued pursuant to conversion of this Note are being offered to it in compliance with Rule 506 of Regulation D under the *U.S. Securities Act*.

4.2 Transferability. This Note may not be transferred or assigned without the consent of the Corporation. If the Corporation consents to the transfer or assignment of this Note, this Note may be transferred only in compliance with applicable Securities Rules and only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Corporation. A new unsecured convertible promissory note for like Indebtedness will be issued to, and registered in the name of, the transferee

PART 5 EVENT OF DEFAULT

5.1 Event of Default. Any of the following events shall, for the purposes of this Note constitute an "Event of Default":

- (a) the Corporation fails to pay to the Subscriber any of the Principal when due and payable hereunder;
- (b) any representations or warranties made by the Corporation in this Note is incorrect in any material respect, and the Corporation has failed to cure that default within 30 days after receipt of written notice thereof from the Subscriber, or the Corporation has failed to fulfil any covenants provided by it in this Note;
- (c) the Corporation makes an assignment for the benefit of creditors or any proceeding is instituted by or against it alleging that it is insolvent or unable to pay its debts as they mature and such proceeding is not dismissed within a reasonable period of time not to exceed 45 days;
- (d) the liquidation or dissolution, or any other termination or winding-up of the business, of the Corporation;
- (e) the appointment of any receiver, trustee, monitor or other person with similar powers for the Corporation or its assets; or
- (f) the institution by or against the Corporation of bankruptcy proceedings.

5.2 Subscriber Remedies. Upon an Event of Default under this Note, the Subscriber may declare the Indebtedness to be immediately payable by written notice delivered to the Corporation. Waiver of any default will not constitute a waiver of any other or subsequent default.

PART 6 MISCELLANEOUS

6.1 No Rights as Shareholder. This Note shall not entitle the Subscriber to any voting rights or any other rights as a shareholder of the Corporation or to any other rights except the rights stated herein.

6.2 Notices. Unless otherwise provided, any notice under this Note shall be given in writing and shall be deemed effectively given:

- (a) upon personal delivery to the party to be notified,
- (b) upon confirmation of receipt by email by the party to be notified,
- (c) one business day after deposit with a reputable overnight courier, prepaid for overnight delivery and addressed as set forth in this paragraph, or
- (d) three days after deposit with Canada Post, postage prepaid, registered or certified with return receipt requested (seven days after such deposit if the recipient is located outside of Canada) and addressed to the party to be notified at the address indicated below, or at such other address as such party may designate by ten days' advance written notice to the other party given in the foregoing manner.

If to the Subscriber, to the address set out on the execution page to this Note.

If to the Corporation:

Finjoy Inc.
1050-1641 Lonsdale Avenue,
North Vancouver, BC, V7M 2J5
Attention: Afshin Ardalan
Email: info@finjoy.ca

6.3 Amendments and Waivers. Any term of this Note may be amended and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of both the Corporation and the Subscriber.

6.4 Governing Law. This Note shall be governed by and construed under the laws of the Province of British Columbia and the laws of Canada applicable therein. The parties hereby attorn to the exclusive courts of the Province of British Columbia.

6.5 Successors and Assigns. The terms and conditions of this Note shall inure to the benefit of and be binding on the respective successors and assigns of the parties.

6.6 Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note, and the balance of this Note shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

6.7 Counterparts. This Note may be executed in any number of counterparts, each of which when delivered (by facsimile or otherwise) shall be deemed to be an original and all of which together shall

constitute one and the same document. A signed facsimile or faxed or PDF copy of this Note shall be effective and valid proof of execution and delivery.

6.8 Entire Agreement. This Note and any other agreement referred to in this Note comprise the entire agreement between the parties in connection with the subject matter of this Note, and supersede all previous proposals, negotiations, promises, agreements, conditions, representations and warranties with respect to the subject matter of this Note. There are no representations, warranties, terms, conditions, undertakings or collateral agreements express or implied between the parties other than as expressly set out in this Note.

6.9 Consent to Electronic Communication. The Subscriber acknowledges that the Corporation has a program for delivery to its shareholder of notices, documents, records or other information (each, a "**Document**" and collectively, "**Documents**") electronically rather than traditional mailing of a paper copy and hereby agrees that (a) Documents required to be delivered under this Note, or upon conversion of this Note, by the Corporation may be delivered electronically and may include, among others: (i) notices of meetings of the shareholders, and related material and forms of proxy, including annual general meeting and special general meetings; (ii) communications from the Corporation; (iii) annual or interim financial statements of the Corporation; and (iv) other notices, documents or information that the Corporation is required or permitted to send by statute or regulation, its Articles, Bylaws or this Note, or upon conversion of this Note; (b) the Documents required to be delivered under this Note, or upon conversion of this Note that may be delivered electronically to the Subscriber will be delivered to the email address provided in Schedule "A" of this Agreement or such email address as designated by the Subscriber to the Corporation from time to time; and (c) a Document is considered to be provided by the Corporation once it is sent by the Corporation electronically and such delivery shall not require any proof of receipt and shall be deemed to have complied fully with the provisions of the Canada Business Corporations Act, or the Articles and Bylaws of the Corporation.

FINJOY INC.

Per: _____
Authorized Signatory

**Schedule "A" Exhibit 2
Subscription Preferred Shares**

TO: FinJoy Inc. (the "Corporation")

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from the Corporation a Series 1 Class A Preferred shares of the Corporation ("**Shares**") pursuant to the Terms and Conditions of Subscription for Securities attached as Schedule A to which this Exhibit 2 is attached (the "**Subscription Agreement**") pursuant to an Offering Memorandum of the Corporation May 10, 2021 ("**Offering Memorandum**") in the amount set out below.

The Subscriber acknowledges and agrees that the Shares shall have the rights, privileges and restrictions attaching to the Shares as attached to this Subscription Agreement.

Number of Shares to be Subscribed

**PLEASE DELIVER THE AGGREGATE
PRINCIPAL AS PER THE WIRE
INSTRUCTIONS SET OUT BELOW**

Aggregate Share Price for the Subscribed Shares

CDN\$ _____

Name of Subscriber:

Account Reference (if applicable):

BY: _____

Address, Province and Postal Code:

(Authorized Signature)

Title (if Subscriber is not an individual):

Telephone Number: _____

Email Address: _____

Beneficial Purchasers

Account Registration Information

If the Subscriber is signing as an agent for a beneficial purchaser and is not purchasing as a trustee or agent on accounts fully managed by it, complete the following:

Name: _____

Account Reference (if applicable):

Name of Beneficial Purchaser:

Address (including Province and Postal Code):

Address of Beneficial Purchaser (including Province and Postal Code):

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 20____.

FINJOY INC.

Per: _____
Authorized Signatory

Wire Instructions for Delivery of Principal:



RIGHTS, PRIVILEGES, RESTRICTIONS AND PRIVILEGES ATTACHING TO THE SHARES

ARTICLES OF AMENDMENT

FINJOY INC. (THE “CORPORATION”)

The Articles of the Corporation (the “**Articles**”) consist of:

- (a) an unlimited number of Class A Preferred shares without par value, issuable in series, and created an unlimited number of Series 1 Class A Preferred shares without par value and an unlimited number of Series 2 Class A Preferred shares without par value, having the rights, privileges, restrictions and conditions as set out in Exhibits 1 and 2 to this Schedule A;
- (b) having the rights, privileges, restrictions and conditions attached to the Common shares as set out in Exhibits 1 and 2 to this Schedule A;
- (c) to provide that, after giving effect to the foregoing, the authorized capital of the Corporation shall consist of:
 - (i) an unlimited number of Common shares;
 - (ii) an unlimited number of Class A Preferred shares, issuable in series, of which an unlimited number have been designated as Series 1 Class A Preferred shares; and
 - (iii) an unlimited number of Class A Preferred shares, issuable in series, of which an unlimited number have been designated as Series 2 Class A Preferred shares.

PART 1

RIGHTS AND RESTRICTIONS ATTACHED TO THE COMMON SHARES

1.1 Voting.

Holders of the Common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation (other than a separate meeting of the holders of another class of shares) and shall have one vote for each Common share held.

1.2 Dissolution.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common shares shall, subject to the rights of holders of any other classes of shares of the Corporation ranking in priority to the Common shares, participate rateably with the holders of other classes of shares in the Corporation in equal amounts per share, without preference or distinction, in the remaining assets of the Corporation.

1.3 Dividends.

The holders of the Common shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the directors of the Corporation out of the monies of the Corporation properly available for the payment of dividends, dividends in such amount and in such form as the directors of the Corporation may from time to time determine.

PART 2

SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO THE CLASS A PREFERRED SHARES

The Class A Preferred shares (the “**Class A Preferred Shares**”) of the Corporation shall have attached thereto the following special rights and restrictions:

2.1 Directors’ Authority to Issue in One or More Series

The Board of Directors of the Corporation may issue Class A Preferred Shares in one or more series, at any time and from time to time. Before the first shares of a particular series of Class A Preferred Shares are issued, the Board shall file with the Director (as such term is defined in the Business Corporations Act (Canada)), Articles of Amendment to include the authorized number, designation, rights, privileges, restrictions and conditions of such series.

2.2 *Pari Passu* Ranking on Dividends and Return of Capital

In respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital):

- (a) the Class A Preferred Shares shall have priority over the Common shares in the capital of the Corporation and over any other shares of the Corporation ranking junior to the Class A Preferred Shares in respect of such payment;
- (b) the Class A Preferred Shares shall rank junior to any other shares of the Corporation ranking senior to the Class A Preferred Shares in respect of such payment; and

- (c) no special rights or restrictions attached to a series of Class A Preferred Shares shall confer upon a series priority over any other series of Class A Preferred Shares then outstanding.

2.3 Ratable Participation

If cumulative dividends in respect of a series of Class A Preferred Shares are not paid in full, the shares of all series of Class A Preferred Shares shall participate rateably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full. If amounts payable on a winding up, or on the occurrence of any other event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital, are not paid in full, the shares of all series of Class A Preferred Shares shall participate rateably in a return of capital in respect of the class in accordance with the amounts that would be payable on the return of capital if all amounts so payable were paid in full.

PART 3 SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO THE SERIES OF CLASS A PREFERRED SHARES

The first series of the Class A Preferred Shares of the Corporation (the “**Series A-1 Preferred Shares**”) shall consist of an unlimited number of Series A-1 Preferred Shares and the second series of the Class A Preferred Shares of the Corporation (the “**Series A-2 Preferred Shares**”) shall consist of an unlimited number of Series A-2 Preferred Shares, each of which shall have attached thereto the following special rights and restrictions:

3.1 Definitions.

In this Part 3:

- (a) “**A-1 Initial Issuance Date**” means, in respect of the Series A-1 Preferred Shares, the first date upon which any of the Series A-1 Preferred Shares are issued;
- (b) “**A-2 Initial Issuance Date**” means, in respect of the Series A-2 Preferred Shares, the first date upon which any of the Series A-2 Preferred Shares are issued;
- (c) “**Act**” means the Business Corporations Act (Canada), as such may be amended from time to time;
- (d) “**Board**” means the board of Directors of the Corporation, as constituted from time to time;
- (e) “**Class A Preferred Approval**” means, for any particular matter, the written approval of such matter by the holders of at least 50% of all series of Class A Preferred Shares (deemed to be voting as one class for this purpose) then issued and outstanding;
- (f) “**Class A Preferred Holders**” means the holders of Class A Preferred Shares;
- (g) “**Class A Preferred Shares**” means the Class A Preferred shares in the capital of the Corporation, issuable in series and initially being the Series A-1 Preferred Shares and the Series A-2 Preferred Shares, and “**Class A Preferred Share**” means any one of them;
- (h) “**Excluded Issuances**” means any one or more of the following issuances:

- (i) the issuance of securities of the Corporation to employees, consultants, officers or directors of the Corporation pursuant to any incentive compensation plan or employee share option plan adopted by the Board;
 - (ii) shares issued upon conversion of any class or series of the Preferred Shares;
 - (iii) the issuance of securities in a Qualified IPO;
 - (iv) stock splits, stock dividends, consolidation or like transactions;
 - (v) securities issued or issuable to lenders or lessors pursuant to a debt financing or equipment leasing transaction approved by the Board; or
 - (vi) any issuance of securities which has been designated an “Excluded Issuance” by Class A Preferred Approval.
- (i) **“Fully Diluted Basis”** means at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common shares and all securities of the Corporation which are convertible or exchangeable into or exercisable for Common shares (directly or indirectly through exchange into securities which are themselves convertible into Common shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;
- (j) **“Liquidation Event”** means any of the following events:
- (i) the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs (whether voluntary or involuntary);
 - (ii) a merger, acquisition, share exchange or any other transaction or series of transactions in which the shareholders of the Corporation immediately prior to the transaction or series of transactions do not own a majority of the outstanding shares and a majority of the voting power of the surviving entity or entities after the transaction or series of transactions; or
 - (iii) a sale, lease or other disposition of all or substantially all of the Corporation’s assets or business (for cash or securities),
- (k) **“Lower Price”** means an issue, exercise, conversion or exchange price (as the case may be) per Common Share that is less than the Series A-1 Conversion Price in respect of the Series A-1 Preferred Shares and less than the Series A-2 Conversion Price in respect of the Series A-2 Preferred Shares, as applicable;
- (l) **“Person”** means a natural person, partnership, corporation, joint stock corporation, trust, unincorporated association, joint venture or other entity, and pronouns have a similar meaning;
- (m) **“Preferred Shares”** means the shares of any class of preferred shares of the Corporation;

- (n) **“Qualified IPO”** means a public offering of Common Shares from treasury pursuant to which the Common Shares become listed on a stock exchange in North America approved by the Board which is:
- (i) at a price per Common Share of two (2) times the Series A-1 Issue Price and gross proceeds to the Corporation of not less than CAD\$5,000,000; or
 - (ii) designated as a Qualified IPO by Class A Preferred Approval;
- (o) **“Series A-1 Conversion Price”** means CAD\$1.00 subject to adjustment from time to time under Sections 3.9 and 3.10, and any adjustments made under those Sections shall be successive and each resulting new Series A-1 Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;
- (p) **“Series A-1 Conversion Ratio”** means, at any particular time, the Series A-1 Conversion Ratio determined at that time under Section 3.7;
- (q) **“Series A-1 Issue Price”** means the issue price per Series A-1 Preferred Share on the A-1 Initial Issuance Date, being CAD\$1.00 subject to adjustment from time to time to reflect any subdivisions, consolidations or similar events of the Series A-1 Preferred Shares after the A-1 Initial Issuance Date, and the Series A-1 Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Series A-1 Issue Price in effect immediately prior to such event by the following fraction:
- (A) the numerator of which is the number of Series A-1 Preferred Shares issued and outstanding immediately prior to the event, and
 - (B) the denominator of which is the number of Series A-1 Preferred Shares issued and outstanding immediately after completion of the event;
- and any such adjustments shall be cumulative and successive and each resulting new Series A-1 Issue Price shall continue in effect until the next adjustment (if any) is made;
- (r) **“Series A-1 Preferred Holders”** means the registered holders of the Series A-1 Preferred Shares and a “Series A-1 Preferred Holder” means any one of them;
- (s) **“Series A-2 Conversion Ratio”** means, at any particular time, the Series A-2 Conversion Ratio determined at that time under Section 3.7;
- (t) **“Series A-2 Issue Price”** means the deemed issue price per Series A-2 Preferred Share on the A-2 Initial Issuance Date, being CAD\$1.00 subject to adjustment from time to time to reflect any subdivisions, consolidations or similar events of the Series A-2 Preferred Shares after the A-1 Initial Issuance Date, and the Series A-2 Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Series A-2 Issue Price in effect immediately prior to such event by the following fraction:
- (A) the numerator of which is the number of Series A-2 Preferred Shares issued and outstanding immediately prior to the event, and
 - (B) the denominator of which is the number of Series A-2 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be cumulative and successive and each resulting new Series A-2 Issue Price shall continue in effect until the next adjustment (if any) is made;

- (u) **“Series A-2 Preferred Holders”** means the registered holders of the Series A-2 Preferred Shares and a **“Series A-2 Preferred Holder”** means any one of them;
- (v) **“Shares”** means any shares in the Corporation; and
- (w) Other terms defined elsewhere in this Part 3 shall have the meanings so ascribed thereto.

3.2 Interpretation.

In this Part 3:

- (a) Unless otherwise provided, all amounts referred to herein are in the lawful money of the Canada;
- (b) All references to Section and Subsection numbers refer, unless expressly stated otherwise, to the Sections and Subsections of this Part 3 having those numbers; and
- (c) Time is of the essence.

3.3 Voting Rights.

Each of the Series A-1 Preferred Holders and each of the Series A-2 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another specified class or series of shares of the Corporation are entitled under the Act to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the holder would be entitled to receive upon full conversion of its Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, into Common Shares. Holders of Class A Preferred Shares, holders of Common Shares and holders of other series of Preferred Shares will vote as one class, except as otherwise required by law. Notwithstanding the foregoing, the holders of the Series A-1 Preferred Shares and the Series A-2 Preferred Shares are not entitled to vote separately as a class or series and are not entitled to dissent, upon any proposal to amend these Articles to: (I) increase or decrease any maximum number of authorized shares, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the Series A-1 Preferred Shares; (II) effect an exchange, reclassification or cancellation of all or part of the shares; or (III) create a new class or series of shares equal or superior to the Series A-1 Preferred Shares or Series A-2 Preferred Shares.

3.4 Dividends.

- (a) No dividends shall at any time be declared or paid on or set apart for payment on any of the Common Shares or on any other class or series of Shares ranking junior to the Series A-1 Preferred Shares or Series A-2 Preferred Shares with respect to dividends, unless in each case all dividends on the Series A-1 Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment.
- (b) Each time the Corporation pays a dividend on any of its Common Shares, it shall also concurrently pay a dividend (the **“Series A-1 Preferred Dividend”**) to each Series A-2 Preferred Holder and a dividend (the **“Series A-2 Preferred Dividend”**) to each Series A-2 Preferred Holder determined as follows:

Series A-1 Preferred Holder's Dividend or Series A-1 Preferred Holder's Dividend, as applicable	=	the Common Share dividend amount per share	x	the number of Common Shares which the Series A-1 Preferred Holder or the Series A-2 Preferred Holder, as applicable, would be entitled to receive upon full conversion of the holder's Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, into Common Shares under Section 3.7 as at the record date of the dividend
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The Corporation shall not declare dividends on the Common Shares until such time as the Series A-1 Preferred Dividend or the Series A-2 Preferred Dividend, as applicable, has been paid to the Series A-1 Preferred Holders or all of the A-1 Unpaid Dividends or to the Series A-2 Preferred Holders or all of the A-2 Unpaid Dividends, as applicable have been converted into Common Shares pursuant to Sections 3.7 or 3.8.

3.5 Rights on Liquidation.

- (a) In the event of a Liquidation Event, the Series A-1 Preferred Holders and the Series A-2 Preferred Holders will be entitled to receive, in preference to the holders of Common Shares and any other shares ranking junior to the Class A Preferred Shares, and pari passu with other holders of Class A Preferred Shares, an amount per share equal to one (1) times the Series A-1 Issue Price (the “**A-1 Unpaid Dividends**”) or one (1) times the Series A-2 Issue Price (the “**A-2 Unpaid Dividends**”), as applicable, plus any accrued and any other dividends declared but unpaid thereon and, together with the Series A-1 Issue Price, or the A-2 Issue Price, as applicable, (the “**Class A Liquidation Payment**”). If upon a Liquidation Event, the assets of the Corporation are insufficient to distribute to the Series A-1 Preferred Holders and the Series A-2 Preferred Holders the Class A Liquidation Payment in full and to other Class A Preferred Holders the full amount they would be entitled to under the special rights and restrictions attaching to their shares, such assets will be distributed among the Class A Preferred Holders rateably in proportion to the respective amounts which would otherwise be payable in respect of their Class A Preferred Shares. Following payment in full of the Class A Liquidation Payment, the Series A-1 Preferred Holders and the Series A-2 Preferred Holders shall not be entitled to share in any remaining assets of the Corporation.

3.6 Effecting a Deemed Liquidation Event

- (a) Upon becoming aware of any potential or proposed Liquidation Event under Subsection 3.1(i)(ii) or 3.1(i)(iii) (each, a “**Deemed Liquidation Event**”), the Corporation shall immediately (and not less than 10 Business Days prior to such potential or proposed Deemed Liquidation Event) deliver a written notice to the Series A-1 Preferred Holders and the Series A-2 Preferred Holders setting out full particulars of such potential or proposed Deemed Liquidation Event together with any other information which would be required by the Series A-1 Preferred Holders or the Series A-2 Preferred Holders, as applicable, to make the designation described at the end of Section 3.1(i) including but not limited to the proposed form and amount of consideration to be paid or distributed in

connection with the Deemed Liquidation Event, the Class A Liquidation Payment and the proposed valuation of the Corporation or assets upon which such calculations are based.

- (b) The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Deemed Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in compliance with Subsection 3.5.
- (c) The amount deemed paid or distributed to the shareholders of the Corporation upon any Deemed Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.
- (d) Notwithstanding the foregoing, for any proposed Deemed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any Class A Preferred Share may be modified by written agreement between the Corporation and the Class A Preferred Holders by Class A Preferred Approval.

3.7 Conversion at the Holder's Option.

Each of the Series A-1 Preferred Holders or Series A-2 Preferred Shares, as applicable, shall have the right (the “**Conversion Right**”) at any time to convert all or from time to time any part of such holder's Series A-1 Preferred Shares (together with A-1 Unpaid Dividends thereon) or such holder's Series A-2 Preferred Shares (together with A-2 Unpaid Dividends thereon) into fully paid Common Shares on the following basis:

- (a) **Conversion Ratio.** Subject to adjustment as described in this Part 3:
 - (i) the number of Common Shares into which each Series A-1 Preferred Share is convertible under this Part 3 shall be determined from time to time by the following formula:

$$\text{Series A-1 Conversion Ratio} = \frac{\text{Series A-1 Issue Price}}{\text{Series A-1 Conversion Price}}$$

- (ii) the number of Common Shares into which each Series A-2 Preferred Share is convertible under this Part 3 shall be determined from time to time by the following formula:

$$\text{Series A-2 Conversion Ratio} = \frac{\text{Series A-2 Issue Price}}{\text{Series A-2 Conversion Price}}$$

- (b) **Conversion Notice.** A Series A-1 Preferred Holder and Series A-2 Preferred Holder may exercise his or her Conversion Right by notice (the “**Conversion Notice**”) in writing delivered to the Corporation. The Conversion Notice shall specify the number of Series A-1 Preferred Shares or the Series A-2 Preferred Shares, as applicable (the “**Specified Shares**”) the holder delivering the Conversion Notice wishes to be converted, be signed by

the registered holder of such shares and be accompanied by the certificate or certificates representing the shares to be converted.

- (c) **Conversion Procedure.** Effective as of the date of the receipt of a duly signed Conversion Notice and accompanying share certificate(s), the Corporation shall issue and promptly deliver to the holder of the Series A-1 Preferred Shares or to the holder of the Series A-2 Preferred Shares, as applicable, represented by the certificate(s) accompanying the Conversion Notice, a certificate representing fully paid and non-assessable Common Shares in the number equal to the A-1 Specified Shares or A-2 Specified Shares, as applicable, multiplied by the Series A-1 Conversion Ratio or the Series A-2 Conversion Ratio, as applicable, then in effect. If less than all the Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, represented by any certificate are converted, the Corporation shall at its expense promptly issue a new share certificate to the holder thereof, representing the balance of the Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, that were not converted.

3.8 Automatic Conversion.

- (a) Conversion Events - All of the issued and outstanding Class A Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Series A-1 Conversion Ratio or the Series A-2 Conversion Ratio, as applicable, then in effect on the earlier of the closing of (i) a Qualified IPO; and (ii) the date for conversion specified by the Class A Preferred Holders by Class A Preferred Approval (each an “**Automatic Conversion Event**”).
- (b) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event, the Corporation shall give written notice of the intended closing or conversion to all Series A-1 Preferred Holders and all holders of Series A-2 Preferred Shares and such holders shall deliver, in trust, the certificates representing their Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or conversion date, as applicable. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective Series A-1 Preferred Holder or Series A-2 Preferred Holder, as applicable.
- (c) Conversion Procedure - On the occurrence of an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each Series A-1 Preferred Holder and each Series A-2 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of Series A-1 Preferred Shares held by the Series A-1 Preferred Holder or Series A-2 Preferred Shares held by the Series A-2 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable.
- (d) Conversion Delinquent Holders - If any of the Series A-1 Preferred Holders or the Series A-2 Preferred Holders (the “**Conversion Delinquent Holders**”) do not deliver their certificates representing Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, to the Corporation in accordance with Subsection 3.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of Series A-1 Preferred Shares or Series A-2

Preferred Shares, as applicable, held by the Conversion Delinquent Holder multiplied by the Series A-1 Conversion Ratio or Series A-2 Conversion Ratio, as applicable, then in effect (the “**Conversion Shares**”), and:

- (i) in the case of a Qualified IPO, the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation’s transfer agent (the “**Transfer Agent**”) who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder’s Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable;
- (ii) in the case of any other type of Automatic Conversion Event, the share certificate will be issued in the name of the Conversion Delinquent Holder and the Corporation will hold the certificates representing the Conversion Shares and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Corporation of the certificates or documents representing such Conversion Delinquent Holder’s Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable; and
- (iii) all share certificates of such Conversion Delinquent Holder representing Series A-1 Preferred Shares or Series A-2 Preferred Shares, as applicable, will be deemed to be cancelled and of no further force and effect.

3.9 Weighted Average Anti-Dilution Conversion Price Adjustment

If at any time, the Corporation issues (other than Excluded Issuances):

- (a) any Common Shares;
- (b) securities entitling the holders thereof to purchase or acquire Common Shares; or
- (c) debt or any other securities exercisable or convertible into or exchangeable, directly or indirectly, for Common Shares,

at a Lower Price (each, an “**Issuance**”), the Series A-1 Conversion Price or the Series A-2 Conversion Price, as applicable, shall be adjusted in accordance with the following formula:

$$CP2 = CP1 * (A+B) / (A+C)$$

CP2 = new Series A-1 Conversion Price or Series A-2 Conversion Price, as applicable

CP1 = the Series A-1 Conversion Price or Series A-2 Conversion Price, as applicable, in effect immediately prior to the Issuance

A = the total number of Common Shares (calculated on a Fully Diluted Basis) outstanding immediately prior to the Issuance

B = Aggregate consideration received by the Corporation with respect to the new issue divided by CP1.

C = the number of Common Shares (calculated on a Fully Diluted Basis) issued in the Issuance

3.10 Conversion Price Adjustments for Capital Alterations.

If the Corporation subdivides, consolidates, or pays a stock dividend on any of its Common Shares, the Series A-1 Conversion Price and the Series A-2 Conversion Price, as applicable, shall simultaneously be adjusted upon the happening of each such event by multiplying the Series A-1 Conversion Price or the Series A-2 Conversion Price, as applicable, in effect immediately prior to such event by the following fraction:

- (a) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and
- (b) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time, and from time to time, after the A-1 Initial Issuance Date or the A-2 Initial Issuance Date, as applicable, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each Series A-1 Preferred Holder and each Series A-2 Preferred Holder shall have the right thereafter to convert its Series A-1 Preferred Shares or its Series A-2 Preferred Shares, as applicable, into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the Series A-1 Preferred Shares would have received if the Series A-1 Preferred Shares or the Series A-2 Preferred Shares, as applicable, had been converted prior to such change.

3.11 Certificate of Conversion Adjustment.

Adjustments made under Sections 3.9 and 3.10 shall be successive and each resulting new Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-1 Conversion Ratio and Series A-2 Conversion Ratio, as applicable, shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsection 3.1(q) shall be successive and each resulting new Series A-1 Conversion Price, Series A-2 Conversion Price, Series A-1 Conversion Ratio or Series A-2 Conversion Ratio, as applicable, shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each Series A-1 Preferred Holder or each Series A-2 Preferred Holder, as applicable, a certificate setting forth:

- (a) the adjustment calculations in detail;
- (b) the facts upon which the adjustment and calculations are based;
- (c) the resulting new Series A-1 Conversion Price or Series A-1 Issue Price and Series A-1 Conversion Ratio or the resulting new Series A-2 Conversion Price or Series A-2 Issue Price and Series A-2 Conversion Ratio, as applicable; and
- (d) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 3.10) by Series A-1 Preferred Holders upon conversion of each Series A-1 Preferred Share under this Part 3 or by Series A-2 Preferred Holders upon conversion of each Series A-2 Preferred Share under this Part 3, as applicable.

Upon written request from time to time of any Series A-1 Preferred Holder or a Series A-2 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

3.12 Resolution of Conversion Adjustment Questions.

If at any time a question arises with respect to adjustments or calculations made under this Part 3, such questions shall be determined by the accountants or the auditors of the Corporation, and the determination of such accountants or auditors shall be binding upon the Corporation, all Class A Preferred Holders and the other shareholders of the Corporation.

3.13 No Fractional Shares.

Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of a share of a series of the Class A Preferred Shares, and the number of Common Shares to be issued will be rounded to the nearest whole share.

3.14 Reservation of Shares Issuable Upon Conversion.

The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number to effect the conversion of all outstanding shares of all series of the Class A Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

3.15 No Impairment.

The Corporation will not, by amendment of the Articles of the Corporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Part 3 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Part 3 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the Series A-1 Preferred Holders against impairment.

3.16 Conflicting Rights.

In the event of any conflict between: (i) the provisions hereof pertaining to the Series A-1 Preferred Shares and any other provisions of the Corporation's Articles (including the special rights and restrictions attached to any other class of shares in the capital of the Corporation), the provisions hereof respecting the Series A-1 Preferred Shares will prevail to the extent of such conflict; and (i) the provisions hereof pertaining to the Series A-2 Preferred Shares and any other provisions of the Corporation's Articles (including the special rights and restrictions attached to any other class of shares in the capital of the Corporation), the provisions hereof respecting the Series A-2 Preferred Shares will prevail to the extent of such conflict.

**EXHIBIT 2 SCHEDULE A
TO ARTICLES OF AMENDMENT OF FINJOY INC.**

**PART 4
DRAG ALONG**

4.1 Definitions.

For the purposes of this Exhibit 2 to Schedule A to the Articles of Amendment, unless otherwise defined herein, words and phrases defined in Exhibit 1 to Schedule A to the Articles of Amendment shall have the meanings ascribed to them therein when used herein, and if not defined therein shall have the meanings set forth below:

- (a) **“Transfer”** includes any sale, exchange, assignment, gift, bequest, disposition, hypothec, mortgage, lien, charge, priority, pledge, encumbrance, grant of security interest or any arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing.

4.2 Restriction on Transfers – Drag Along.

- (a) If, at any time: (i) the holders of shares in the capital of the Corporation comprising more than 66.67% of the Common shares of the Corporation issued and outstanding at that time (calculated on an as-converted to Common share basis) (the **“Selling Shareholders”**); and (ii) the Board of Directors of the Corporation accept or approve an offer (a **“Drag Along Offer”**) to effect a transaction that would constitute a Deemed Liquidation Event (a **“Transaction”**) from a party or parties acting in concert (a **“Subscriber”**), then the Selling Shareholders may require all other shareholders (the **“Other Shareholders”**) to also accept or approve the Drag Along Offer and resulting Transaction on 15 days’ written notice, provided that the terms and conditions of the Drag Along Offer, including consideration to be paid, are no less favourable to the Other Shareholders than to the Selling Shareholders.
- (b) In order to give full effect to the provisions of this Section 1.2, the Other Shareholders shall, upon the written request of the Selling Shareholders:
 - (A) execute and deliver an agreement of purchase and sale in respect of all of their shares in the capital of the Corporation beneficially held by such Other Shareholder, in the event such Transaction constitutes a sale of Shares of the Corporation, not later than 10 days after receipt of such request (such request to include a copy of the agreement of purchase and sale to be executed accompanies such written request complying with the terms and conditions this Section 1.2); or
 - (B) accept or approve any proposed Transfer of their shares in the capital of the Corporation in connection with a Transaction which constitutes a sale of Shares of the Corporation, or approve a sale of all or substantially all of the assets of the Corporation requiring the approval of the shareholders, whether by separate class vote, series vote or otherwise, under the Articles of the Corporation, the *Business Corporations Act* (Canada) or otherwise; and

- (C) vote the shares in the capital of the Corporation held by them at the relevant time in favour of all resolutions approving the Drag Along Offer and the resulting Transaction; and
 - (D) not dissent or, if having previously dissented, withdraw any and all notices of dissent and notices demanding payment for the fair value of their shares in the capital of the Corporation under the dissent rights of the *Business Corporations Act* (Canada); and
 - (E) subject to Section 1.3, execute and deliver to the Corporation any document or instrument necessary or, in the opinion of the Corporation or its solicitors, desirable in order for the Corporation and the Selling Shareholders to give effect to the Transaction.
- (c) If any of the Other Shareholders (the “**Delinquent Holders**”) fail to Transfer their shares in the capital of the Corporation to the Subscriber in accordance with the terms and conditions of the Drag Along Offer if required to give effect to the Transaction, the Subscriber shall have the right to deposit the applicable consideration for the Transfer of those shares in the capital of the Corporation of the Delinquent Holders in a special account at any financial institution in Canada, to be paid proportionately with interest, to the respective Delinquent Holders upon presentation and surrender to such financial institution of the certificates or documents representing such holders’ shares in the capital of the Corporation duly endorsed for transfer to the Subscriber, if required to give effect to the Transaction. Upon such deposit being made, the shares in the capital of the Corporation in respect of which the deposit was made shall hereby automatically (without any further action of any kind on the part of the Delinquent Holders or the Subscriber): (i) be transferred to and purchased by the Subscriber and shall be transferred on the books of the Corporation to the Subscriber; or (ii) be cancelled, as applicable to give effect to the Transaction, and the rights of the Delinquent Holders in respect of those shares in the capital of the Corporation after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount of consideration so deposited against presentation and surrender of the certificates or documents representing their respective shares in the capital of the Corporation.

4.3 Exceptions to Drag Along Obligations.

Notwithstanding the foregoing Section 1.2, an Other Shareholder will not be obligated to accept a Drag Along Offer, unless each of the following conditions is satisfied or waived by such Other Shareholder:

- (a) any representations and warranties to be made by such Other Shareholder in connection with the Transaction are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares and residency of the Other Shareholders for tax purposes, including, but not limited to, representations and warranties that: (i) the Other Shareholder holds all right, title and interest in and to the Shares such Other Shareholder purports to hold, free and clear of all liens and encumbrances; (ii) the obligations of the Other Shareholder in connection with the Transaction have been duly authorized, if applicable; (iii) the documents to be entered into by the Other Shareholder have been duly executed by the Other Shareholder and delivered to the acquirer and are enforceable against the Other Shareholder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Other Shareholder’s obligations thereunder, will

cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;

- (b) the Other Shareholder shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Transaction, other than the Corporation (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any shareholder of any representations, warranties and covenants provided by all shareholders in respect of the Corporation);
- (c) the liability for indemnification, if any, of such Other Shareholder in the Transaction and for the inaccuracy of any representations and warranties made by the Corporation or its shareholders in connection with such Transaction, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any shareholder of any representations, warranties and covenants provided by all shareholders in respect of the Corporation), and is proportionate to, and does not exceed, the amount of consideration paid to such Other Shareholder in connection with such Transaction;
- (d) liability shall be limited to such Other Shareholder's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such Transaction in accordance with the provisions of the Articles) of a negotiated aggregate indemnification amount that applies equally to all shareholders but that in no event exceeds the amount of consideration otherwise payable to such Other Shareholder in connection with such Transaction, except with respect to claims related to fraud or intentional misrepresentation by such Other Shareholder;
- (e) upon the consummation of the Transaction: (i) each holder of each class or series of shares of the Corporation will receive the same form of consideration for their Shares of such class or series as is received by other holders in respect of their Shares of such same class or series of Shares; (ii) each holder of a class or series of Preferred Shares will receive the same amount of consideration per share of such class or series of Preferred Shares as is received by other holders in respect of their shares of such same class or series; (iii) each holder of Common Shares will receive the same amount of consideration per Common Share as is received by other holders in respect of their Common Shares; and (iv) the aggregate consideration receivable by all holders of the Preferred Shares and Common Shares shall be allocated among the holders of Preferred Shares and Common Shares on the basis of the relative liquidation preferences to which the holders of each respective class or series of Preferred Shares and the holders of Common Shares are entitled in a Liquidation Event (assuming for this purpose that the Transaction is a Liquidation Event) in accordance with the Corporation's Articles in effect immediately prior to the Transaction; and
- (f) if any holders of any Shares of the Corporation are given an option as to the form and amount of consideration to be received as a result of the Transaction, all holders of such Shares will be given the same option; provided, however, that nothing in this Subsection shall entitle any holder to receive any form of consideration that such holder would be ineligible to receive as a result of such holder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Corporation's shareholders.

Schedule "B"

FORM 45-106F4 - RISK ACKNOWLEDGEMENT
(OFFERING MEMORANDUM)
FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I could lose all the money I invest.

I am investing CDN\$ _____ in total; this includes any amount I am obliged to pay in future. FinJoy may pay a fee or commission equal to 7.0% of the amount I invest.

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

Once you have signed this document on DocuSign, please download and print a copy to keep for your records.

You have 2 business days to cancel your purchase

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

Issuer Name and Address:

FinJoy Inc.
1050-1641 Lonsdale Avenue
North Vancouver, British Columbia V7M 2J5
Phone #: 604-724-8907
E-mail address: info@finjoy.com

WARNING



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:

2. 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
3. the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

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

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

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593- 8314
Toll free in Canada: 1-877-785-1555

Schedule B-1

Classification of Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule B-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 and Ontario.

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 CDN\$75,000 in each of the 2 most recent calendar years, and you expect it to be more than CDN\$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 CDN\$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than CDN\$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than CDN\$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 73.3 of the <i>Securities Act</i> (Ontario), because:		Your initials
Accredited Investor	Your net income before taxes was more than CDN\$200,000 in each of the 2 most recent calendar years, and you expect it to be more than CDN\$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 CDN\$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than CDN\$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than CDN\$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than CDN\$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> ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR 2) <i>[check all applicable boxes]</i> ☐ 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 ☐ 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	
	You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____. 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>	
	You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
	You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you are not an eligible investor.	

Schedule B-2

Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule B-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 and Ontario.

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 CDN\$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 CDN\$_____ today in this issuer, you have not exceeded your investment limit of CDN\$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 CDN\$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of CDN\$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 73.3 of the <i>Securities Act</i> (Ontario).		Your initials
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [<i>Accredited investor</i>], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [<i>Family, friends and business associates</i>] of NI 45-106.	Your initials
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Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [<i>Family, friends and business associates</i>], you are not subject to investment limits.	
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D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you cannot invest more than CDN\$10,000 in all offering memorandum exemption investments made in the previous 12 months. You confirm that, after taking into account your investment of CDN\$_____ today in this issuer, you have not exceeded your investment limit of CDN\$10,000 in all offering memorandum exemption investments made in the previous 12 months.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[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.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

Schedule B-3
Certificate of Accredited Investor

TO: FINJOY INC. (the “Corporation”)

In connection with the proposed purchase by the undersigned purchaser (the “Subscriber”) of an unsecured convertible note or Class A Preferred shares (the “Securities”) of the Corporation, the Subscriber represents, warrants, covenants and certifies that:

1. the Subscriber is purchasing the Securities as principal for its own account and not for the benefit of another, or is deemed to be purchasing the Securities as principal pursuant to applicable securities laws, and is:

- (a) _____ an “accredited investor” within the meaning of National Instrument 45-106 - Prospectus Exemptions (“**NI 45-106**”) by virtue of satisfying the indicated criterion as set out in Schedule “A” to this Certificate (**YOU MUST ALSO INITIAL THE APPLICABLE ITEM ON SCHEDULE “A” TO THIS CERTIFICATE**); or
- (b) _____ purchasing the Securities as agent or trustee for a beneficial purchaser, and each such beneficial purchaser is purchasing as principal for its own account and not for the benefit of another, and each such beneficial purchaser is an “accredited investor” within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Schedule “A” to this certificate (**YOU MUST ALSO INITIAL THE APPLICABLE ITEM ON SCHEDULE “A” TO THIS CERTIFICATE**);

2. if the Subscriber (or beneficial purchaser) is **not** an individual, the person was not created or used solely to purchase or hold securities as an accredited investor;

3. these representations, warranties, covenants and certifications will be true and correct both as of the execution of this certificate and as of the closing time of the purchase and sale of the Subscriber’s Securities and will survive the completion of the issue of the Subscriber’s Securities; and

4. these representations, warranties, covenants and certifications are made by the Subscriber with the intent that they be relied upon in determining the suitability of the beneficial purchaser as a purchaser of the Securities, and the Subscriber undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber (and the beneficial purchaser) set forth herein which takes place prior to the closing time of the purchase and sale of the Subscriber’s Securities.

Dated: _____, 20____

_____	_____
_____	Print Name of Subscriber
_____	By: _____
Witness (if Subscriber is an individual)	Signature
_____	_____
_____	Name and Title
_____	_____
Print Name of Witness	(please print name and title of individual whose signature appears above, if different from name of Subscriber printed above)

IMPORTANT:

(A) PLEASE INITIAL THE APPLICABLE ITEM ON THE ATTACHED SCHEDULE “A”

SCHEDULE "A"

DEFINITION OF "ACCREDITED INVESTOR"

INSTRUCTIONS:

- (a) Prior to completing this Schedule "A", please carefully review the definitions provided at the end of this Schedule, particularly the definitions of "financial assets" as distinguished from "net assets", as well as "related liabilities".
- (b) The Subscriber must initial beside the applicable item(s) of the definition of "accredited investor" below.

"accredited investor", as used in this Schedule, means:

Initials

- _____ (i) an individual who, either alone or with a spouse, beneficially owns **financial assets** (which term excludes real estate) having an **aggregate realizable value** that, before taxes but **net** of any **related liabilities**, exceeds \$1,000,000; or
- _____ (a.1) an individual who beneficially owns **financial assets** (which term excludes real estate) having an **aggregate realizable value** that, before taxes but **net** of any **related liabilities**, exceeds \$5,000,000; or
- _____ (ii) 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; or
- _____ (iii) an individual who, either alone or with a spouse, has **net assets** that exceed \$5,000,000; or
- _____ (iv) 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; or
- _____ (v) an investment fund that distributes or has distributed its securities only to
 - (A) a person that is or was an accredited investor at the time of the distribution;
 - (B) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*"Minimum Amount Investment exemption"*] or 2.19 [*"Additional Investment in Investment Funds exemption"*] of NI 45-106; or
- _____ (vi) 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 (as defined in this Schedule); or
- _____ (vii) a trust established by an accredited investor (as defined in this Schedule) for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors (as defined in this Schedule) 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.

All dollar amounts referred to in this Schedule are expressed in Canadian dollars.

For the purposes of this Schedule:

- (a) A trust company or trust corporation described in paragraph (p) above, other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada, is deemed to be purchasing as principal; and
- (b) A person described in paragraph (q) above is deemed to be purchasing as principal.

For the purposes of this Schedule, the following definitions apply:

“director” means

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“financial assets” means cash, securities or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation; and specifically excludes real estate. For the purposes of paragraphs (j) and (j.1) above, financial assets are those financial assets which are beneficially owned. The following factors are indicative of beneficial ownership of financial assets:

- (a) physical or constructive possession of evidence of ownership of the financial asset;
- (b) entitlement to receipt of any income generated by the financial asset;
- (c) risk of loss of the value of the financial asset; and
- (d) the ability to dispose of the financial asset or otherwise deal with it as the individual sees fit.

Financial assets are generally liquid or relatively easy to liquidate. Realizable value of financial assets generally means the fair market value of the assets that may reasonably be obtained in an orderly liquidation. To satisfy the thresholds in paragraphs (j) and (j.1) above, the value must be net of related liabilities.

“investment fund” means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes

- (a) an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the Employee Investment Act, R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments, and
- (b) a venture capital corporation registered under Part 1 of the Small Business Venture Capital Act, R.S.B.C. 1996 c. 429, whose business objective is making multiple investments;

“Minimum Amount Investment exemption” refers to the following exemption:

- (a) The prospectus requirement does not apply in respect of a distribution in a security to a person if all of the following apply:
 - (i) that person is not an individual;
 - (ii) that person purchases as principal;
 - (iii) the security has an acquisition cost to that person of not less than Cdn\$150,000 paid in cash at the time of the distribution;
 - (iv) the distribution is in a security of a single issuer.
- (b) Subsection (a) does not apply to a distribution of a security to a person if the person was created or is used solely to purchase or hold securities in reliance on this exemption from the prospectus requirement set out in subsection (a);

“**mutual fund**” has the meaning ascribed to that term under applicable securities legislation and in British Columbia includes an issuer of a security that entitles 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 a part of the net assets, including a separate fund or trust account, of the issuer of the security;

“**net assets**” means total assets (including real estate) less total liabilities (including mortgages). For the purposes of paragraph (1) above, the value attributed to assets should reasonably reflect their estimated fair value and tax is considered a liability to be deducted if the obligation to pay the tax is outstanding at the date of closing of the purchase of the Securities.

“**non-redeemable investment fund**” means an issuer

- (a) whose primary purpose is to invest money provided by its securityholders,
- (b) that does not invest,
 - (i) 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
 - (ii) 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
- (c) that is not a mutual fund;

“**person**” includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“related liabilities” means

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets;

“securities legislation” means the applicable securities legislation of a jurisdiction of Canada; and

“spouse” means, an individual who,

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).