



FREIGHTERA LOGISTICS INC.

Incorporated in British Columbia

OFFERING MEMORANDUM

December 28th, 2017

This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of the securities referred to herein. 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. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and the securities laws of any state of the United States, and may not be offered or sold to, directly or indirectly, in the United States or for the account or benefit of a person in the "United States" or a "U.S. person" (as such terms are defined in Regulation S under the U.S. Securities Act), except pursuant to registration under the 1933 Act and the securities laws of all applicable states or available exemptions therefrom. The Issuer has no obligation or present intention of filing a registration statement under the 1933 Act in respect of any of the securities offered herein. Hedging transactions involving these securities may not be conducted unless in compliance with the U.S. Securities Act.

**OFFERING MEMORANDUM
FOR NON-QUALIFYING ISSUERS
ISSUER: FREIGHTERA LOGISTICS INC.**

Address: Office 8036, 200-375 Water Street, Vancouver, BC V6B 0M9
Contact: Eric Beckwitt, CEO Tel: 604-899-4081 E-mail: eric.beckwitt@freightera.com

LISTING STATUS

Currently Listed or Quoted?	No. These securities do not trade on any stock exchange or market.
Reporting Issuer?	No.
SEDAR Filer?	No.

THE OFFERING

Securities Offered:	Unit and Common Share offering comprised of two tranches: (1) Unit offering of up to 416,667 units offered until January 5 th 2018, with a subscription price of CAD \$1.20 per unit, with each "Unit" comprised of one Common Share and one non-transferable common share purchase warrant exercisable at \$1.20 per share, with the warrants expiring on November 30 th , 2018. (2) Common share offering of up to 1,333,333 Common Shares with a subscription price of CAD \$1.20 per Share commencing after January 5 th , 2018.
Price per Security:	The price per Unit is CAD \$1.20 The price per Common Share is CAD \$1.20
Minimum/Maximum Offering:	The maximum Offering for the first tranche is 416,667 Units for gross proceeds of CAD \$500,000.40. The maximum Offering for the second tranche is 1,333,333 Common Shares for gross proceeds of CAD \$1,599,999.60. There is no minimum Offering for either tranche. You may be the only purchaser in either or both tranches. Funds available under the offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	The minimum subscription amount is CAD \$5,000 per investor for each tranche of the Offering.
Eligibility:	Residents of Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan, are subject to investment limits and must complete Schedules 1 and 2 (Classification of Investor and Investment Limits) under the Offering Memorandum Exemption. Residents of Manitoba wishing to subscribe for the Shares for an aggregate purchase price of more than CAD \$10,000 must qualify as "Eligible Investors" as defined in the applicable securities legislation. Please note that both eligible and non-eligible investors are subject to investment limits.
Payment Terms:	Payment to be made in full to "Freightera Logistics Inc." by certified cheque or money order or other form of guaranteed funds, concurrently with the delivery of a duly executed and completed Subscription Agreement. See Item 5: Securities Offered.
Proposed Closing Date:	First tranche of the Offering, comprised of the Units being offered, to close on January 5 th , 2018. Second tranche of the Offering is a continuing offering.
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6: Income Tax Consequences and RRSP Eligibility.
Selling Agent:	Yes. See Item 7: Compensation Paid to Sellers and Finders.

RESALE RESTRICTIONS

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

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: Purchasers' Rights.

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

INVESTMENT NOT LIQUID

The Shares offered hereunder will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, if ever, a Shareholder will not be able to trade the Shares unless it complies with very limited exemptions from the prospectus requirements and other requirements under applicable securities legislation. See Item 10 "Resale Restrictions".

CAUTIONARY STATEMENTS

An investment in Shares is speculative. A potential investor should purchase Shares only if it is able to bear the loss of its entire investment. Potential investors should read "Risk Factors" prior to making an investment in Shares.

Forward-Looking Statements

Certain statements in this Offering Memorandum, as they relate to the Issuer and its respective views or predictions about possible future events or conditions and their business operations and strategy, are "forward-looking statements" within the meaning of that phrase under applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or achieved) are not statements of historical fact and may be "forward-looking statements", including by way of example and without limiting the generality of the foregoing, statements with respect to the realization of a liquidity event; goals, strategies and product development; future market conditions; supply conditions; end customer demand conditions; distribution channel infiltration; competition; outlook for future operations; plans and timing for the introduction and development of products; product sell through; revenues; operating expenses; profits, estimates of anticipated costs and expenditures; the outcome of legal proceedings; and other expectations, intentions and plans that are not historical fact. Even though management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking statements are based on the current expectations, estimates and projections of the Issuer, assumptions that such estimates and projections may occur, and involve a number of known and unknown risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated, including those risks described under "Risk Factors". Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward-looking statements include, but are not limited to, general economic, political, market and business factors and conditions; interest rates fluctuations; statutory and regulatory developments; ability to obtain financing; increased competition; loss of key employees; additional funding requirements; the Issuer's ability to develop, manufacture, supply and market new products or services that it does not produce or provide today and that meet the demands of customers; unexpected judicial or regulatory proceedings; catastrophic events; and other factors set out under the heading "Risk Factors". Except as otherwise required by applicable law, the Issuer does not intend to, and assumes no obligation to, update or revise these or other forward-looking statements it may provide, whether as a result of new information, plans or events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements as there can be no assurance that the condition, events, plans and assumptions on which they are based will occur. Should one or more of the risks described under the "Risk Factors", other risk factors that could develop or arise, or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein. The forward-looking statements are made as of the date of this Offering Memorandum.

Reliance

Prospective investors should rely only on information contained in this Offering Memorandum. The Issuer has not authorized any other person to provide prospective investors with different information other than as contained in this Offering Memorandum. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. The Issuer is not making an offer to sell in any jurisdiction where an offer or sale is not permitted. Before making an investment decision respecting the securities described in this Offering Memorandum, you should carefully review and consider this entire Offering Memorandum. You should also consult with your lawyer and investment, accounting and tax advisors concerning this investment.

Industry and Market Data

Unless otherwise indicated, the Issuer obtained the industry and market data used throughout this Offering Memorandum from surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While the Issuer believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the

availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Issuer has not independently verified such data, does not make any representations as to the accuracy of such information, and is not responsible for the accuracy of any of the data from third party sources referred to in this Offering Memorandum.

SUMMARY OF OFFERING MEMORANDUM

The Issuer The issuer is Freightera Logistics Inc. a company incorporated under the British Columbia Business Corporations Act [SBC 2002] c.57 (the “Company”, “Issuer” or “Freightera”).

Registered Mark



Currency Unless otherwise stated, all monies in this Offering Memorandum are in Canadian Dollars.

Objective Pursuant to the terms of this Offering Memorandum, the Issuer intends to raise up to:

\$2,100,000.00 (comprised of up to \$500,000.40 in the first tranche, and up to \$1,599,999.60 in the second tranche of the Offering) through the issuance of the Units in the first tranche and its Common Shares (“Shares”) in the second tranche.

Up to \$315,000 will be paid as selling commissions and Offering Expenses resulting in net proceeds of up to \$1,785,000. The Issuer will use the net proceeds for the purposes of continuing its development of technology, intellectual property portfolio, brand, strategic planning and execution of its sales and marketing programs.

Investment Strategy

Freightera has developed a comprehensive web-based application for the freight industry that solves numerous problems facing Shippers and Carriers in terms of overall efficiency, productivity, response time, price and service competitiveness, customer/vendor qualification, documentation standards, accounts payable, collections and pro-active customer service.

A large segment of the freight logistics industry continues to be burdened by use of the telephone, email, faxing and frustrating, poor response times. Freightera has met each of these challenges by integrating all the necessary functions into a single interactive web marketplace that in turn requires a minimum of initial data input from participating client Shippers. Freightera has already established a database comprising on over nine billion (point-to-point) routes and their related price offerings from truck and intermodal Carriers across Canada and the U.S. This detailed information is kept current by way of an application programming interface (“API”) and other system update methods with each of the Carriers and made available in real time to commercial Shippers. When a manufacturer, wholesaler, distributor, retailer or any business has product to ship, they can quickly, simply and securely login to Freightera’s site, provide their basic shipment information and immediately receive a graphic response on their screen showing all the Carriers who can meet the desired availability, service standards, and vehicle profile along with the total inclusive cost. In this sense, Freightera may be thought of as ‘Expedia® for Freight’.

Freightera has competition in this space (see Item 2.2 *Our Business*), however, the Issuer believes there is no other service provider whose breadth of integrated functions may be ready to compete as efficiently.

Freightera’s scope of offerings began in Eastern Canada and has grown in its first 39 months of operation to include all Provinces of Canada and south to the U.S. Its Carrier participation now includes over 400 LTL Carriers, including 17 of the top 25, and over 200 million new routes per month have been added. Initially, Freightera will continue to penetrate the trans-border and domestic U.S. opportunities as they represent an addressable continental market of approximately \$176 billion in freight spending annually, over 80 percent of which is via truck mode. However, further opportunities exist in future years as the application has been developed with a technology base that will allow a comparatively easy adaption to all modes, including rail, ocean and air with no geographical limitations.

Minimum Offering

There is no minimum offering. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our objectives

Maximum Offering	<p>The maximum Offering for the first tranche is 416,667 Units for gross proceeds of \$500,000.40. The maximum Offering for the second tranche is 1,333,333 Common Shares for gross proceeds of \$1,599,999.60.</p> <p>The Issuer may, at its sole discretion, lower the number of Shares offered.</p>
Price/Security	<p>The price per unit in the first tranche of the Offering is \$1.20 per Unit, with each Unit being comprised of one Common Share and one Common Share purchase warrant with an exercise price of \$1.20 expiring on November 30th, 2018. The price per Common Share in the second tranche of the Offering is \$1.20.</p>
Minimum Subscription Amount	<p>The Minimum Subscription Amount is \$5,000.00. The Issuer may, at its sole discretion, lower the Minimum Subscription Amount.</p>
Closings	<p>The Issuer will conduct closings on one or more dates prior to the final closing date as may be determined by the Issuer in its sole discretion (the 'Final Closing'). The Issuer may, in its sole discretion, extend the date of the Final Closing. Pursuant to this Offering Memorandum, the offering of the first tranche for the Units closes on January 5th, 2018, and the offering of the second tranche for the Common Shares expires on the Final Closing unless terminated earlier by the Issuer.</p>
Management	<p>The officers and directors of Freightera are:</p> <p>Eric Beckwitt, Chief Executive Officer, Director, and Founder. Asghar Khan, Director</p> <p>See Item 3.2 <i>Management Experience</i>.</p>
Selling Agent	<p>Selling Agents, such as Exempt Market Dealers, responsible for the sale of Common Shares will be paid a selling commission. Selling commissions and Offering Expenses will not exceed 15% in the aggregate and no one selling agent will receive a commission of more than 12% of the gross sale proceeds. See Item 7: Compensation Paid to Sellers and Finders.</p>
Tax Consequences	<p>There are important tax consequences to the purchase, ownership and disposition of the Shares. You should consult your own professional advisors to obtain advice on the Canadian or other jurisdiction's tax consequences that may apply to you.</p> <p>RRSP Eligibility: Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities. See Item 6: Income Tax Consequences and RRSP Eligibility.</p>

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GLOSSARY OF TERMS

\$	Canadian Dollars (CAD) unless otherwise stated.
3PL	“3PL” or Third Party Logistics companies are those offering freight transportation, forwarding, warehousing and other related services to companies who contract out some or all of these services.
<i>Additional Closing</i>	The date on which any additional closings of the purchase and sale of the Units and/or the Shares (as applicable) are held after the Initial Closing.
API	Application Programming Interface. A set of routines, protocols, and tools for building software applications
<i>Associates</i>	Where used to indicate a relationship with any person, refers to “associate” as defined in the Securities Act (BC), and includes anyone who does not deal at arm’s length with such person, as defined in the Canadian Income Tax Act.
<i>Canadian Income Tax Act</i>	The Canadian Income Tax Act, R.S.C. 1985, c. 1 (5th Suppl.) and any regulations or amendments thereto.
<i>Carrier</i>	A business-to-business partner that includes but is not limited to trucking companies, delivery services, railroads, ocean vessel operators and freight forwarders. The definition may include such a partner that has entered into an agreement with the Issuer to accept and use the services of the Issuer.
<i>Cloud-based application</i>	Software program never installed on a local computer and accessed via the Internet.
<i>Client</i>	A business-to-business partner that has entered into an agreement with the Issuer to accept and use the services of the Issuer. Such partners may include, but are not limited to manufacturers, distributors, retailers, agents, forwarders, Shippers, and Carriers.
CFS	Container Freight Station. A warehouse location used for consolidating and deconsolidation (‘destuffing’) containers, usually at a portside facility and usually customs bonded.
CRA	The Canada Revenue Agency, formerly Revenue Canada.
CY	Container Yard. A location at a port or inland terminal used for storing loaded containers.
<i>Date of Closing</i>	As applicable to the first tranche Unit offering and the second tranche Common Share offering, the date upon which all conditions of a closing have been satisfied, up to and including the date published or such later date as may be determined by the Issuer in its sole discretion, or any date or dates upon which Subscriptions are accepted.
<i>Expedited Freight</i>	Time sensitive shipments (such as fruit, livestock or simply urgently needed goods) that are dispatched immediately, usually from ‘door-to-door’ if TL.
FCL	A shipment that fills a 20ft or 40/45 ft. ocean shipping container (dry or refrigerated van or open-top) to capacity or has a total volume or weight that maximizes price.
<i>FTL (or TL)</i>	(Full) Trailer Load. A shipment that fills a highway trailer (dry, refrigerated, flatbed or bulk van) to capacity or has a total volume or weight that maximizes price.
<i>Factoring</i>	A type of debtor finance whereby a company sells its accounts receivable to a third party at a discount.
<i>Freight Broker</i>	An individual or company that owns no vehicles or rolling stock of its own and that serves as a liaison between companies needing shipping services and a Carrier.
<i>Freight Forwarder</i>	A freight forwarder, also known as a non-vessel operating common carrier (NVOCC), is a person or company that organizes shipments for individuals or corporations using one or more carriers over one or more modes.
GHG	Greenhouse Gas. A gas in an atmosphere that absorbs and emits radiation within the thermal infrared range. By increasing the heat in the atmosphere, greenhouse gases are responsible for the greenhouse effect, which ultimately leads to global warming.

<i>Intermodal</i>	A combination of different transport modes used to complete the different stages of a shipment from origin to final destination.
<i>Initial Closing</i>	The first date of the closing of the purchase and sale of all or part of the Offering.
<i>IPO</i>	Initial Public Offering. A bona fide public offering of the Shares of the Issuer pursuant to an effective registration statement under the U.S. Securities Act or pursuant to a final prospectus prepared, filed and receipted by the applicable securities commission or similar regulatory authority in a province of Canada, covering the offer and sale of Shares for the account of the Issuer, on an underwritten basis by a reputable investment bank, in which the Shares are being listed on the Toronto Stock Exchange, TSX Venture Exchange; New York Stock Exchange, NYSE MKT LLC, Nasdaq Global Market or Nasdaq Capital Market, or any other stock exchange, or any successors thereof.
<i>IP</i>	Intellectual Property. A work or invention that is the result of creativity, such as a manuscript or a design, to which one has rights and for which one may apply for a patent, copyright, trademark, etc. For example, a software program.
<i>Issuer</i>	Freightera Logistics Inc., a company incorporated under the British Columbia Business Corporations Act {SBC 2002} c.57.
<i>LCL</i>	Less-than-Container-Load. A shipment that would not fill the majority of a 20ft. or 40/45 ft. ocean shipping container.
<i>LTL</i>	Less-than-Trailer-Load. A shipment that would not fill a conventional highway trailer, usually less than 2/3 capacity or the FTL price (palletized or multiple packages).
<i>LTP</i>	Larger-than-parcel. A shipment that would not normally be transported by a Carrier specializing in small packages.
<i>Lanes</i>	(or Carrier Lanes) A single route between two geographic points serviced by a Carrier.
<i>Maximum Offering</i>	The maximum Offering for the first tranche of 416,667 Units for gross proceeds of \$500,000.40; and the maximum Offering for the second tranche of 1,333,333 Common Shares for gross proceeds of \$1,599,999.60; for a total Subscription Amount of \$2,100,000.00 pursuant to this Offering Memorandum (assuming maximum Offering achieved under the first and second tranches).
<i>Minimum Offering</i>	The Offering of a minimum number of Units and/or Shares (as applicable) pursuant to this Offering Memorandum. (The Offering has no such minimum number of Units or Shares being offered).
<i>Non-Asset</i>	A Carrier or Shipper that owns no vehicles or rolling stock of its own and sub-contracts all its services to other parties, usually independent operators.
<i>Offering</i>	The offering by the Issuer of up to a maximum of 416,667 Units (under the first tranche) and up to a maximum of 1,333,333 Shares (under the second tranche) pursuant to this Offering Memorandum.
<i>Offering Expenses</i>	The expenses of the offering including, but not limited to, legal, accounting and issue costs of the Offering but excluding selling commissions.
<i>Offering Memorandum</i>	This Offering Memorandum of the Issuer dated December 28 th , 2017.
<i>OTR</i>	Over-the-road. Pertains to highway transportation mode.
<i>Risk Acknowledgement Form</i>	The risk acknowledgement form, including its Schedules 1 and 2 as applicable to the Subscriber, attached to this Offering Memorandum under Appendix 3. Subscribers in Alberta, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan must complete Schedules 1 and 2 to the Risk Acknowledgement Form.
<i>RRSP</i>	A retirement savings plan registered pursuant to the Canadian Income Tax Act.
<i>SaaS</i>	SaaS refers to software-as-a-service. Software as a Service (SaaS) is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.
<i>Securities Act</i>	The British Columbia Securities Act, R.S.B.C. 1996, c. 418, and any regulations or amendments thereto.

<i>SEDAR</i>	The System for Electronic Document Analysis and Retrieval.
<i>Share</i>	A common share of the Issuer.
<i>Shareholder</i>	A current shareholder of the Issuer’s Units or Common Shares (as applicable), Subscriber for a Unit or Common Share (as applicable) whose subscription is accepted and closed upon by the Issuer and any individual, corporation or other entity who acquires any one or more Common Shares or a Unit (as applicable) on a subsequent transfer from a Shareholder.
<i>Shipper</i>	A business-to-business partner that includes but is not limited to manufacturers, distributors, retailers, and shipping agents. The definition may include such a partner that has entered into an agreement with the Issuer to accept and use the services of the Issuer as indicated by the context of this Offering Memorandum.
<i>Subscriber</i>	A subscriber for either the Units and/or the Common Shares, pursuant to this Offering Memorandum.
<i>Subscription Agreement</i>	The subscription agreement, which is attached as Appendix 2 to this Offering Memorandum, pursuant to which a Subscriber may agree to purchase Units (under the first tranche) and/or Shares (under the second tranche), having also completed the Risk Acknowledgement Form and its Schedules, as applicable
<i>Subscription Amount</i>	The aggregate value of the Offering and, in the event that all Units and Shares offered are subscribed, that amount shall be \$2,100,000.00.
<i>Subscription Documents</i>	The Subscription Agreement, Risk Acknowledgement Form and its Schedules, if applicable to the Subscriber, and a cheque or other form of payment (as stated in this Offering Memorandum) for the Subscription Price.
<i>Subscription Price</i>	The amount, with respect to any Subscription, that, (1) with respect to the Unit offering in the first tranche is the product of the number of Units subscribed by a Subscriber and the price of \$1.20 per Unit, and (2) with respect to the Share offering in the second tranche is the product of the number of Shares subscribed by a Subscriber and the price of \$1.20 per Share.
<i>TL</i>	Trailer load. A shipment that fills a conventional highway trailer (dry, refrigerated, flatbed or bulk van).
<i>TMS</i>	Transportation Management System. An on-premises or online platform that provides procurement and shipping order management including reporting and integration with Carriers and other enterprise systems.
<i>Transaction</i>	One instance of all the combined components of a shipment from origin to destination, including the receipt and payment of funds.
<i>Unit</i>	Means a unit in the capital Freightera comprised of one common share and one common share purchase warrant exercisable at \$1.20 per share, with the warrants expiring on November 30 th , 2018.
<i>User</i>	Any person or commercial entity that signs up for access to the Freightera web application to offer services, or to review or use such services.

ITEM 1: USE OF AVAILABLE FUNDS**1.1 Funds**

The following table discloses the funds available as a result of the offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A.	Amount to be raised by this offering	\$0	\$2,100,000
B.	Selling commissions and fees	\$0	(\$252,000)
C.	Estimated offering costs (e.g., legal, accounting, audit.)	\$63,000	(\$63,000)
D.	Available funds: $D = A - (B+C)$	(\$63,000)	\$1,785,000
E.	Additional sources of funding required	\$63,000	\$0
F.	Working capital deficiency	\$0	\$0
G.	Total: $G = (D+E) - F$	\$0	1,785,000

1.2 Use of Available Funds

Notes to the Q3, 2017 financial statements summarizes how the Company has used funds raised during the 2016 and 2017 (to date) fiscal years according the categories in the table below. The following table discloses how the Company will use the available funds from this Offering assuming Minimum Offering and Maximum Offering:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Sales and Marketing	\$0	\$473,000
Product Development	\$0	\$542,000
General & Administrative Working Capital	\$0	\$494,000
Compensation for Insiders ¹	\$0	\$276,000
Total: Equal to G in the Funds table above	\$0	1,785,000

If less than the Maximum Offering is raised, the Issuer will likely spend less in each category.

Pursuant to the terms of this Offering, the Issuer intends to raise up to \$2,100,000 through the issuance of Units and Shares. Selling commissions and Offering Expenses will not exceed 15% in the aggregate and no one selling agent will receive a commission of more than 12% of the gross sale proceeds resulting in net proceeds of up to \$1,785,000. In addition, the Issuer may grant brokers' warrants, agents' options or other securities as payment of compensation under agency agreements as negotiated by the Issuer and may include broker warrants of up to 5% of gross proceeds from the sale of Units and/or Common Shares resulting directly from the agent's efforts converted to Units and/or Common Shares at the price that the Units and/or Common Shares are then currently being offered at an exercise price that the Issuer

¹ In the absence of significant profitable operations, Freightera will require up to 12 months compensation for key executive personnel in an amount not to exceed \$276,000. Payments to insiders are as follows: E. Beckwitt (CEO) \$120,000; Y. Ponarina (Vice President, Marketing) \$96,000; N. Phillippe (Vice President, Corp. Finance) \$60,000.

determines is fair and reasonable under the circumstances and pursuant to applicable laws. See Section 7: Compensation Paid to Sellers and Finders for details.

The Issuer will use the net proceeds for the purposes of continuing its sales, marketing, brand recognition, financial, legal and administrative infrastructure and product development. The geographical scope of operations will initially be concentrated on the North American market before any consideration of expanding services beyond the continent. Until required for the Issuer's purposes, the proceeds from this Offering will be invested only in securities of, or those guaranteed by, the Government of Canada or any Province of Canada or the Government of the U.S. or any State of the U.S., or in certificates of deposit or current/chequing or interest-bearing accounts of Canadian chartered banks or trust companies or U.S. banks. Any interest accrued on subscription funds will be solely for the account of the Issuer. See this section above for details on the use of funds.

1.3 *Reallocation*

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

ITEM 2: BUSINESS OF FREIGHTERA

2.1 *Structure*

The Issuer is a corporation and was incorporated under the Business Corporations Act of British Columbia [SBC2002] Chapter 57 on May 1st, 2014. At the time of this Offering, the physical offices of the Issuer are located at 200-375 Water Street, Vancouver, BC V6B 0M9.

Freightera's operations have to date relied on the advantages offered by utilizing an internet-based platform for its business. Being in its early stages, the Issuer's staff are able to work virtually in any location and the Issuer's initial growth has been successfully accomplished this way. However, the Company plans to continue building its primary base in Vancouver, BC for the foreseeable future as its management believes that the majority of its future recruiting and technological opportunities are available in this region.

The Issuer currently has 17 full-time staff and 13 part-time staff (including consultants) in the following capacities:

Executive	1
Management	3
Customer Service	6 (all part time)
Accounting	4 (including 1 part-time)
Investor Relations	1
Systems Development	5 (including 1 part-time)
Sales	2 (including 1 part-time)
Logistics and brokerage	6 (including 3 part-time)
Marketing	2 (including 1 part-time)

2.2 *Our Business*

Product and Benefit

Freightera is a technology company entering its fourth year since incorporation, operating an online freight brokerage marketplace servicing Shippers and Carriers, primarily in the truck and rail transportation sector across Canada and the U.S., with plans to expand to other modes in the near future. Its focus is to solve chronic and significant problems in the freight industry in 3 major areas:

- a. Shippers are frequently unable to find competitive rates, available space and a timely response when searching for both, whether dealing directly with Carriers, or Freight Brokers. The common routine for many is to make two or more phone calls, or email requests, or visit vendors' websites to communicate their specific need and then wait for a response, which is often not received within an acceptable time frame.
- b. Carriers are unable to distribute beneficial pricing and available space within a short time frame or to the desired range and number of potential Shippers and consequently operate with reduced load factors, creating both an economic challenge of attaining profitability and a significant negative environmental impact of additional greenhouse gas emissions (GHG).
- c. To the knowledge of the Company's management, there are few, if any central databases that can provides rates, availability and standardized documentation for the millions of routes covered each day with its related permutations and none that are readily as scalable for the global market.

Freightera's cloud-based application uses a database comprised of the tariffs and schedules of hundreds of Carriers, and eventually thousands of Carriers, which can be updated and uploaded in real time using Freightera's data transfer methods, configured for each Carrier. There is no limit on the number or size of Carriers that can be included, allowing for contributing combinations of those supplying national, regional, trans-border and equipment type services.

When a Shipper signs up to become a Freightera customer, they have the ability to enter a simple search using a Freightera website page for multiple, competitive freight rates and space availability for the specific origin, destination, type of required equipment, timeline and other conditions that suit their requirements. Freightera's system may find one or more matches, display the match or matches as quotes and if a quote is accepted, book the Transaction with the Carrier. Although Carriers and Shipper are both required to 'sign up' to use Freightera's marketplace, neither pays a membership or subscription fee.

Freightera is the principal for all transactions. We take the full risk for the transaction, to pay the carrier and collect from the shipper, and our mark-up is variable depending on the transaction details. Each carrier provides pre-quoted prices for "Lanes" and Freightera has a variable mark-up on those price quotes depending on the details of the transaction. For all Transactions, Freightera invoices the Shipper, collects the freight charges from the Shipper and in turn pays the Carrier the amount owed for the Transaction, net of Freightera's markup. Freightera's markup is the difference of the receipt amount from Shipper less payment to the Carrier for all their charges and this is Freightera's gross margin from the Transaction.

Transaction values vary according to size of shipment, commodity type and distance between pickup and delivery points. Typically, a single pallet of goods delivered within the same region may be as little as \$100 in revenue, offering \$25 in gross margin; alternately, a half truckload delivered from east to west coasts may be billed at \$5,000 or more, yielding a gross margin of \$500-600. In 2014, the average shipment revenue was approximately \$319 with gross profit of \$39; in 2015, this remained steady at \$313 and \$47 respectively; in 2016, as the scope of the company's geographic and equipment type coverage expanded, the average shipment revenue was \$580 with a gross profit of \$68. In Q3-2017, by comparison, average shipment revenue was \$534 with a gross profit of \$63.

During 2015 and the first quarter of 2016, a percentage of the accounts receivable were Factored to ensure timely payment to Carriers as an incentive to their continuing and proactive participation. The company discontinued this practice with the receipt of its last round of financing which enabled the hiring of clerical staff dedicated to handling receivables. Important to note is that a significant portion of the shippers pre-pay for the transaction with corporate credit cards

Freightera's services include Transaction support online including, carriage documentation, shipment tracking and customer support. As part of the service, Freightera currently provides the Shipper with the

ability to generate standardized lading documentation, including a freight waybill (Bill of Lading) and planned for the future, other documents, such as an export declaration form or similar forms for shipments destined beyond borders. This is a significant productivity benefit for both Shipper and Carrier and provides a competitive advantage.

Competitors

Freightera has entered a competitive segment of the freight industry where there are several established players collectively offering a variety of services. The majority of these offer a limited number of services beyond those of a freight broker and in some cases provide only an online web interface to collect shipment information from a Shipper seeking rates and availability but without the ability to provide an immediate response. None have the breadth of integrated services planned by Freightera to be delivered in a 'single package' including multi-modal national, regional and local coverage, handling accounting transactions (payable and receivable), shipping documentation and direct customer support services.

The following is a sample and brief profile of those offering a competitive service to that of Freightera's, i.e. provide some level of automated return of comparative choices (although not necessarily as comprehensive in content as planned by Freightera) and who can be considered dominant players. The statistical information for the following is publicly available on each of their own company websites at the time of the preparation of this Offering Memorandum, however, the claims for numbers of Shippers and/or Carriers registered with each cannot be independently qualified.

UShip

Founded 2004. 180 employees, privately held, based in Austin, TX. Offers services covering the U.S., Canada, Australia and 6 EU countries. Claims 3.5 million customers and unlimited 'transporters'. Charges fees to Carriers and allows commercial and non-commercial Shippers to put up shipments for bid. Mobile app tracking. Strategic partnership with eBay and Ritchie Bros. Secured \$28MM in venture capital funding up to 2012. Global forwarder Schenker took a 25% stake in 2017.

Ship Canada/US LTL

Founded 2003. Estimated 15 employees, a division of Equitrans Global Logistics, Newmarket, ON. Offers services across Canada and the U.S. (Road, Air, Rail). Claims a 3,000 Carrier network. LTL specialty. Auto-email & SMS tracking. Loyalty program. Parent company offers a TMS to clients. Strategic partner Livingstone Int'l for cross-border shipments.

Freightquote.com

Founded in 1998, based in Kansas, MO. Estimated 1,000 employees and \$600MM in turnover including gains from 2 sizeable acquisitions. Truck and Rail only, LTL, FTL and Expedited. Claims 80,000 customers. Creates shipping documents and offers limited TMS. Pays Carriers directly. Acquired by C.H. Robinson (largest truck freight broker in the U.S. and publicly traded, Fortune 500 company) for \$365MM in 2015.

FreightCenter.com

Founded in 1998, based in Tampa Bay, FL, a division of American Freight Companies. Estimated 120 employees. Claims to have 1 million Shippers served by over 100 Carriers. Focused on LTL & FTL, U.S. and Canada, though quoting on international, all modes. Offers API integration and TMS through Cirrus, a third party platform.

Cargo Chief

Founded in 2012, based in Mountain View, CA. 20 employees. Focused on truck LTL and FTL in USA. Uses patented meta search engine to collect rates from other web sites. Claims 500,000 truck availability and 200+ customers. Mobile tracking. Planning to offer Intermodal and Container rates. Secured \$10MM in venture capital funding in 09/2015.

Marketing Strategy

Freightera is designed to operate in the global Third Party Logistics (3PL) market. In 2016 this market was valued at USD 750.51 billion, and it is projected to grow to 996.37 billion in 2021.² The 3PL market is a subset of the global logistics market, which in terms of revenue was valued at USD 8.2 trillion in 2015, and is expected to reach USD 15.5 trillion by 2023.³ The “global logistics market” is the flow of resources and information between sources and the consumer, including but not limited to truck, rail, ocean and air shipments and the supporting infrastructure.

Freightera began and will continue to expand its service offerings with lanes across North America for the first one to four years. The North American 3PL market is estimated at approximately US\$205 billion of which US\$8.23 billion is considered Freightera’s *immediately addressable market*, that is, non-contractual freight movement for which shippers have the option to choose the mode and type of carrier or third party service provider, such as a freight broker or forwarder (see figures below). Within this market, Freightera has initially focused on the Canadian domestic and cross border (US/Canada) markets, and the U.S. domestic markets, primarily using highway and rail services.

Freightera’s sales and marketing efforts are focused on the two main client components with indirect support from a third group of interested parties:

- a. Solicit the participation of every major national and regional Carrier in the U.S. and Canada (including certain Freight Forwarders and countries beyond) and upload their pricing and service criteria to the Freightera database.

At the date of this Offering Memorandum, over 400 Carriers in the U.S. and Canada including 32 ranked within the Top 100⁴ for hire carriers in North America, have signed on and are currently supplying rates, or in the process of supplying rates, to Freightera’s database. These rates are discounted from their ‘standard’ tariff to be competitive (see ‘Revenue Model’ below).

The initial participants were solicited by personal email and/or telephone, or by Shipper’s referral. However, as the company has grown, Carriers have requested inclusion without solicitation as Freightera’s service and reputation has become more known within the industry and peer pressure is obligating some to join to remain competitive. In Q1 to Q3 2017, Freightera signed an additional 91 carriers, including all 7 Class 1 Railroads. Freightera now has expertise and a network of contacts from within its personnel ranks to assist in making further additions.

- b. Execute a sales campaign targeting all levels of Shippers to sign up, try the service and secure their repeat orders with an aggressive approach to providing customer service and a complete suite of value-added program features.

As of the end of Q3-2017, 5,484 Shippers in the U.S. and Canada have opened accounts with Freightera, with approximately 1,350 quoting so far in 2017 and 600 shippers booking over 3,000 loads in the same period. The company is tactically focused on increasing this number by regularly increasing service offerings, adding new carriers with better rates, and continuing to market to existing accounts via emailing, calling and targeted advertising.

² <http://www.businesswire.com/news/home/20161230005031/en/Global-Party-Logistics-Market-Projected-Surpass-USD>

³ <http://www.prnewswire.com/news-releases/global-logistics-market-to-reach-us155-trillion-by-2023-research-report-published-by-transparency-market-research-597595561.html>

⁴ <http://www.ttnews.com/top100/for-hire/2017>

Freightera has hired a full-time, seasoned freight broker/sales representative and a telemarketer to solicit new business, concentrating on high revenue accounts.

- c. Partner with government, academic and industry agencies to support the supplementary goals of emissions reduction and improved freight transportation economics.

Government agencies have an interest in supporting commercial initiatives that will address the highly political and social issues around factors contributing to climate change and specifically air pollution. One of the largest contributors of air pollution in Canada's cities is by vehicles⁵. Federal, State and Provincial and municipal programs support such initiatives in two ways:

- **Legislation**, such as, in Canada, the Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations (part of the Canadian Environmental Protection Act of 1999 and amended in July 2015)⁶ or, in the U.S. Heavy-Duty (Tractor-Trailer) Greenhouse Gas Regulations (2008) adopted by the California Environment Protection Agency⁷.
- **Funding**, such as, in Canada, Sustainable Development Technology Canada, a \$915 million fund supporting the development of 'clean-tech' solutions invited Freightera to submit a proposal, yet to be fulfilled; also, SmartWay, a cooperative emissions reduction program administered by the US Environmental Protection Agency and Natural Resources Canada, who offer grants to development partners within the freight industry. In 2016, SmartWay provided a \$20,000 contract to Freightera to create phase 1 of North America's first Low Emission Freight Marketplace.
- **Industry associations** exist to support businesses within their sector and there are trucking and other transportation sector associations in almost every Province and State, providing a wealth of resources for service providers. The information available will assist greatly in identifying potential Client partners, and providing statistical data on related environmental matters. Moreover, as an associate member of some key organizations, Freightera may use industry hosted events such as trade shows and conventions to build lasting relationships, foster good relations and further promote the business.

2.3 Development of Business

The following outlines key milestones in the background and business development of the Issuer (see also Item 12: Financial Statements).

Operational Milestones:

February 2013 – The software system, developed by Eric Beckwitt (joint patent holder) and currently owned by Freightera, was launched by Freightopolis.

February 2013 to April 2014 – Freightopolis operated the business and generated approximately \$1.2 million dollars in revenue from the software system.

February of 2014 – The shareholders of Freightopolis engaged Eric Beckwitt to take over operation of Freightopolis and under their instructions, source code of the software was distributed to Eric Beckwitt.

April 2014 to August 2014 - Freightopolis ceased operations and subsequently declared bankruptcy.

⁵ http://www.ec.gc.ca/scitech/4B40916E-16D3-4357-97EB-A6DF7005D1B3/EnvTech_Air_Story_8.5x11EN.pdf

⁶ <http://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-24/index.html>

⁷ <http://www.arb.ca.gov/newsrel/nr121208.htm>

May 2014 - The Issuer was incorporated in May 1st, 2014 under the Business Corporations Act of British Columbia, with unlimited Common Shares authorized for issuance (see Section 4.1 Share Capital). The principal and sole Director is Eric Beckwitt (see Section 3.2 Management Experience).

July 2014 - Freightera introduces the software system posting 10 million Carrier Lanes in the system and starts to generate revenue.

November 2014 - Freightera achieves \$22,758 in monthly revenue.

March 2015 - Freightera copyrights the latest version of the software system source code in the U.S. and Canada.

April 2015 - Freightera posts 500 million Carrier Lanes in the software system.

May 2015 - Freightera and Eric Beckwitt receive a legal opinion from the law firm Fasken Martineau DuMoulin LLP confirming its rights of ownership over the patent and copyright of the software system.

June 2015 - Freightera posts 1 billion Carrier Lanes in the software system and achieves over 100 revenue generating, active Shipper accounts.

September 2015 - Freightera achieves \$62,708 in monthly revenue, 160 revenue producing Shipper accounts and 2.5 billion Carrier Lanes.

January 2016 - Freightera lists over 250 revenue producing Shipper accounts and 3 billion Carrier Lanes.

April 2016 - Freightera raises approximately \$950,000 at a subscription price of \$0.40 bringing the total invested to date to \$2.1 million.

July 2016 - Freightera issues a press release resulting in over 180 features in publications and U.S. news networks.

September 2016 - Freightera is chosen by its first heavy haul client to manage a six-figure shipping project which boosts its annualized revenue by 50%.

October 2016 - Freightera passes 5 billion lanes and 466 revenue producing accounts.

November 2016 - Freightera executive selected to present a freight industry perspective on greenhouse gas emission reduction at the COP22 Climate Change Conference bringing significant brand exposure and a record sales quarter.

March 2017 - Freightera signed all 7 Class 1 Railroads in North America.

April 2017 - Freightera passed 6 billion lanes and 680 revenue producing accounts.

August 2017 Freightera passes 421 carrier accounts and 10.5 billion Lanes

September 2017 - Freightera has 5,484 shipper accounts and 939 revenue producing accounts; new website goes live and press release picked up by over 330 news sites worldwide; raise to date totals over \$3.5M.

Financial Milestones

The first transaction revenue was in July 2014. Some significant milestones include:

2014 Gross Revenue (6 months) was \$97,418 from 262 transactions.
 2014 Gross Margin was \$14,205 or 14.5%.

2015 Gross Revenue (12 months) was \$423,637 from 1,374 transactions.
 2015 Gross Margin was \$42,888 or 10.1%

2016 Gross Revenue (12 months) was \$1,645,366 from 2,829 transactions.
 2016 Gross Margin was \$201,810 or 12.3% (\$143,304 or 8.7% net of uncollectable accounts).

2017 Gross Revenue to date (Q1-Q3 only) from operations was \$1,462,108 from 3,082 transactions
 2017 Gross Margin to date (Q1-Q3 only) was \$216,274 or 14.8%

It is also important to note that margin percentages may differ from month to month as they are directly affected by the profile of shipments transacted during the period and seasonal fluctuations. For example, a full truckload of goods may result in a smaller percent margin but a larger actual dollar profit than a single pallet of the same product. The percentage ‘marked up’ is not fixed and varies according to market conditions, regions and competition.

In 2016, and in particular the last quarter of the year, the company was progressively handling larger shipments including ‘heavy haul’ loads, which produced significantly larger revenues per transaction. Although the ‘markup’ on these shipments were a lower *percentage*, they actually produced a greater *dollar* profit.

For example, the following table illustrates how shipping different cargo types or quantities between the same origin and destination cities may differ:

	Profile	Revenue	Profit	% Margin
Shipment A	1 pallet @ 400 lbs	\$300.00	\$48.00	16.0%
Shipment B	Full Truck @ 40,000 lbs	\$2,500.00	\$250.00	10.0%
Shipment C	Heavy Haul Equipment	\$8,000.00	\$600.00	7.5%

Funding

Seed capital for the commercialization of the application in the amount of approximately \$335,000 was provided by the Founder’s family and friends.

As of the date of this Offering Memorandum, subsequent funding has been provided by accredited investors and under two previous Offering Memoranda in the amount of approximately \$3.18 million.

The company is currently seeking additional grants and funding from private, industry and government sources (see *Marketing Strategy* above).

Operating Expenses

As Freightera’s business matures, expense categories become weighted differently and this occurred in 2016 compared to the previous year, in most cases proportionate to the number of business transactions (refer to Item 12. Financial Statements). Significant expenditure included:

Expense Category	2015	2016	2017 (to Q3)	Description
Advertising & Promotion	\$42,357	\$223,680	\$211,482	Web marketing campaign including agreement with Google AdSense to build brand and promote sales
Investor Relations	\$0	\$125,541	\$214,515	Brokerage, investor relations back office management, travel, events and all other expenses related to investment funding.
Professional Fees	\$127,699	\$72,466	\$95,901	Legal, Accounting & Business Consulting
Salaries	\$33,212	\$330,360	\$412,821	8 full-time employees for most of 2017. Some contract positions in 2016 were converted to salaried earlier in 2017.
Subcontractors	\$340,310	\$402,498	\$342,849	19 contract positions (including 13 part-time) reduced to 17 in Q3-2017. Some contract positions will be converted to salaried employees in Q4.

2.4 Long Term Objectives

Freightera has several goals in relation to its competitive position through achievement of securing the largest database of clients and users, delivering superior customer service, advancement of application technology and contribution to corporate social responsibility through its 'green freight' initiatives.

Freightera's long term objective is to achieve annualized gross revenues sufficient to position the company to maximize the returns on investment through any of its options for exit strategy and continuing operations. The following table summarizes the costs Freightera expects to incur in its efforts to achieve these goals and each category is described in detail thereafter:

Long-Term Objective	Target Completion	Estimated Cost
Shipper Marketing	4 years	\$9,800,000
Carrier Marketing	4 years	\$2,050,000
Customer Service & Sales	Ongoing (annual estimate)	\$1,700,000
Technology Leadership	2 years	\$2,000,000
Pollution & Efficiency Initiative	4 years	\$1,000,000

The foregoing information is forward-looking information, and as such readers are cautioned that actual costs and target completion times may vary from the forward-looking information. In particular, material risk factors could cause actual results to differ materially from the forward-looking information (for more information on risks, please see "Item 8: Risk Factors"). Furthermore, there are material factors and assumptions used to develop forward-looking information including achieving the mentioned target completion dates on time and the costs remaining as estimated.

2.4.1 Shipper Marketing

Freightera's goal is to scale up and gain prominence to being the 'household name' of freight marketplaces in the minds of all classes of commercial Shippers. The objective is to engage 250,000 or more Shippers and from them generate over 50,000 revenue-producing accounts ongoing, within 4 years at an average cost of \$40-\$48 per engagement, or \$200-\$240 per conversion. This average is approximately half of the current cost but with economy of scale may be achieved by:

- a. obtaining top positioning in both paid and organic visibility (web search optimization) on

- search engines, potentially reaching several million business-to-business (B2B) shippers;
- b. targeted cold and referred contacts solicited by additional in-house sales personnel and marketing partners hired under performance-based contracts.
 - c. incentives to respondents, such as sign-up bonuses and a range of value-added services that require development;
 - d. creating demand with thought leadership such as articles and papers about the economic benefits of Freightera's services and becoming recognized as the authority in this segment of the industry; this has an indirect cost in terms of management and materials.
 - e. ongoing public relations initiatives by the Company's representatives to promote the brand and the message, such as media participation, trade shows and event sponsorship, each of which may cost in excess of \$20,000 per event.

The estimated cost of Shipper-focused programs, funding dependent, over the next 4 years (to late 2021) is \$9,800,000.

2.4.2 Carrier Marketing

In a parallel campaign to securing Shippers, the number of Carriers engaged is targeted at 20,000 and from them generate 4,000 revenue-producing accounts ongoing, by December 2021. Onboarding a new Carrier involves costs such as technology interface with often incompatible systems and support personnel, estimated to be \$1000-\$2000 per carrier (for the largest 200 in North America only), lower for the thousands of carriers that have density based rates, and falling to near \$0 for carriers that sign up on their own and enter their own rates. The Carrier profile may be varied and ranging from:

- a. local and regional to national and international Carriers;
- b. trucking companies with fleets of as little as 5 vehicles to thousands;
- c. those with different types of highway equipment and rolling stock, for example, dry cargo van, parcel van, refrigerated, bulk, flatbed trailer, container-on chassis, etc.;
- d. size and capacity of individual units, such as trailer length or high cubic capacity; and
- e. other specialty services, such as LTL (less-than-trailer load) only, or TL (full trailer load), expedited or household moving.

The approach used for Carrier Marketing will be a combination of the following and other approaches:

- a. targeted cold calling (necessary for obtaining many of the Company's first clients and produces unexpected high conversion rate) and personal contact from in-house salaried personnel which will involve travel cost and industry conference participation.
- b. the use of web content that may be peripheral to the transaction itself but will be a source of informative and useful industry content for the client and a value-added service link for the Carrier.
- c. non-conflicting industry partnerships (negotiations have begun to form a strategic alliance with at least one provider). This could include an indirect cost of revenue-sharing.

The estimated cost of carrier-focused programs over the next 4 years (to end of 2021) is \$2,050,000 dollars.

2.4.3 Customer Service and Sales

A sustained effort to excel in sales representation and customer service is and will continue to be one of the important components of the Company's culture.

It is critical to the success of the Freightera marketplace for a large number of Carriers to participate and thereby provide selection of competitive rates and services to the Shippers. They may have pressure to compete and the incentive to maximize load factors to do so. The resulting amount of discount in the rates provided to Freightera's database may also translate to be a cost-effective sales tool for them. An increase in load factors and reduction in overhead are both contributors to their profitability. Maintaining relationships with the Carriers to continually offer their best rates and be considered as their preferred marketplace for doing so will be a reflection on Freightera's good standing in the industry.

Shippers have different needs to be satisfied, that is, to ensure trouble-free and supportive service as well as the best value for their shipping dollar. The response from Freightera to a Shipper's request does not rest with a selection of rates and service timetables from the Carriers. The overall experience is key to their retention and their retention is in turn critical to maintaining a sustained growth of the client customer base and the objective of reaching the desired 50,000 revenue-producing accounts in the shortest possible time.

Freightera will be creative in measuring its customer service performance in a number of different ways, including Carrier and Shipper retention rates, percentage increase in the number of transactions per Shipper and the nature of solicited feedback from Clients. The estimated cost of maintaining 50,000 revenue-producing customers per annum through sales and customer service personnel and value-added client support is \$1,700,000, or 40 personnel handling an average of 1,250 customers per person.

2.4.4 Technology Leadership

Freightera intends to achieve and sustain a leader's role in the freight industry through offering the best-in-class web and mobile platforms. Currently, its application is proving to be stable and the features compare favourably with its competitors. Also, there are a several initiatives that Freightera has designed, begun to develop or planned for new functionality and usability. For example,

- a. Carrier rates and services are often imported and updated with either an API, bulk upload or through the Freightera system and can easily be updated, although there is a cost associated with this method. Carriers without this technology use either third parties to execute, or as in the case of most small regional Carriers that Freightera will be targeting to expand their coverage, default to a manual process, which may be a higher initial cost of induction.
- b. response time to search is in many cases 15 seconds or less and being maintained even with a rapidly expanding database; and
- c. mobile application development is in process, with a deliverable in late 2017. This will allow shippers to quote and book from mobile devices. Improved, map based shipment tracking, originally to be programmed, now will most likely be provided by integration of a third party system in Q1 or Q2 2018.
- d. Combining multi-lane, multimodal rate combinations to enable a single response to any origin-destination rate request.

The estimated cost of creating and maintaining these industry-leading capabilities and developing first-to-market advancements is estimated at \$2,000,000, 80% of which will be for salaried and contract programming personnel and the balance for development tools.

2.4.5 Pollution Reduction and Efficiency

Freightera's corporate mission includes making a significant contribution to the reduction of greenhouse gases (GHG) generated by the consumption of fuel oils in the transportation sector, of which 22% on our continent comes from medium and heavy trucks⁸. To meet the terms of international agreements and the pressures of public concern, there is ongoing interest from both government and industry to identify opportunities and act in favour of controlling and reducing these emissions. Initiatives of this kind are also likely to achieve a better public relations profile and advantageous business consequences. Freightera would like to both fulfill its corporate responsibility and include this initiative in its marketing to reach those companies that have similar objectives. Freightera can and plans to:

- a. provide Carriers with the ability to maximize load factors through use of Freightera's existing marketplace, thereby reducing the overall number of trips;
- b. generate data that can be analyzed in terms of load consolidation, interline coordination, on-time performance and other measures of efficiency;
- c. create a rating system for 'Green Transport' as incentive to its Clients to take on a heightened role in corporate responsibility; and
- d. establish Freightera as a primary industry partner and public name associated with this goal. This has begun with the proposed SmartWay program partnership (see *Marketing Strategy above*). Also, Freightera's Founder and CEO penned well-received articles for both the 2016 G7 Summit in Japan and press releases read by participants in the COP21 conference resulting in an invitation to present a freight industry perspective on the "green future of freight" at the subsequent COP22 conference in Marrakech along with representatives of the Canadian government and other international dignitaries, see links below.

<http://touchline.s3-website-eu-west-1.amazonaws.com/g7/climatechange2016/106-1>

<http://www.rtcc.org/magazine/respond2017/mobile/index.html#p=55>

As this document is written, Freightera is tentatively joining the Canadian delegation to COP23 Bonn as an observer and working on permission to speak with governments and NGOs at COP23.

2.5 Short Term Objectives and How We Intend to Achieve Them

The following outlines the Company's short-term objectives for the next 12 months with some adjustment for what has been achieved year to date. The rate at which these numbers are to be met are expected to accelerate with the recent addition of human resources that the company has been able to engage following the last round of financing.

- a. As of the date of this Offering Memorandum we currently have 5,484 registered shippers. Our objective is to successfully sign up an additional 4,500 Shippers which, based on our current and projected conversion rate will produce 750 or more new revenue producing accounts;
- b. To successfully engage an additional 600 Carriers, including 50 more of the largest firms in North America with application programming interfaces. Based on our current estimates, this could also indirectly bring up to 300 revenue producing accounts with an estimated additional 10 billion lanes;

⁸ Source: U.S. Department of Energy. *Transportation Energy Data Book*, Table 2.8, 2014. <http://cta.ornl.gov/data/chapter2.shtml> (15 Feb 2015)

- c. Expand the shipper sales and brokerage department from the current one (1) full-time senior account manager to four (4) to focus on larger targeted U.S. and Canadian Shippers.
- d. Expand the customer care staffing from the current department manager and six (6) part-time personnel as necessary to maintain a ratio of one (1) fulltime service person per 250 revenue accounts and ensure a rapid response to service issues and billing resolution and personal contact;
- e. Extend the product development of the software system to an integrated mobile application;
- f. Continue the existing quotation and booking software system development to enhance the existing and expand the transport mode range including:
 - temperature-controlled cargo units (completed 2017)
 - heavy haul equipment (adding the required Carriers in Q4, 2017)
 - ocean containers (by sea and land)
 - air freight
 - the selection of a ‘lower emission’ option for all modes, including showing actual emissions by carrier (subject to receiving approval from SmartWay and the Canadian Ministry of Natural Resources to display this data); and
- g. Ensure the Company’s operations are well organized and administered, including the financial reporting, mitigation of risk and commercial liability, regulatory and government compliance, protection of intellectual property and a positive, inclusive company culture.

The following table summarizes the costs Freightera expects to incur in its efforts to achieve these goals over the next 12 months.

What we must do and how we will do it	Number of months to complete	Our cost to complete
Sales & Marketing		
Add 4,500 new Shipper accounts, identified as prospects through search marketing, commercial data sources and digital marketing. Includes the use of direct referral and trial incentives to activate. Convert 750+ new Shippers to ongoing revenue- producing accounts, maintained through superior customer service and other relationship building initiatives.	12 months	\$353,000
Engage 600 new Carriers, national, regional and local, identified through industry organizations, commercial data sources and insider knowledge base. This may include partnerships with one or more freight brokers and access to hundreds of additional carriers via integration with other air, ocean or rail aggregators.	12 months	\$120,000
Product Development		
Develop a state-of-the-art mobile booking application to parallel the current online offering of the Company’s services	3 months	\$40,000

Complete development of the automated quote and booking system to include containers (overland and ocean), air and rail and complete automated booking of refrigerated freight and flatbed loads. Complete phase 1 of Link2rail, automatically linking road and rail rates into single quotes in North America.	12 months	\$372,000
Modify the booking system to add features for Shippers to select options for lowest emission rating and road-to-rail alternative (partially complete).	6 months	\$90,000
License and integrate the most functional and widely adopted application for monitoring vehicle tracking data from Carriers in real time (must be map-based and should cover road, rail ocean and air).	6 months	\$40,000
General & Administrative		
Manage expenditures prudently for General & Administrative including recruiting, rents, insurance, communications, professional fees, banking and finance.	12 months	\$494,000
Key executive personnel compensation	12 months	\$276,000

2.6 *Insufficient Funds*

The funds available as a result of this Offering will not be sufficient to accomplish all of our objectives and there is no assurance that alternative financing will be available.

2.7 *Material Agreements*

There are no material agreements under which the Issuer has an obligation which is not made in the ordinary course of business and which is not otherwise stated in this Offering Memorandum.

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

3.1 *Compensation and Securities Held*

The names, municipalities of residence, offices held, during the past five years, and shareholdings of the directors, officers, promoters, and persons holding directly or indirectly, beneficially owns or controls 10% or more of any class of the voting securities of the Issuer (a “principal holder”) are:

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by Issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the Issuer held after completion of the Minimum Offering	Number, type and percentage of securities of the Issuer held after completion of the Maximum Offering
Eric Beckwitt (Vancouver, BC)	CEO Company Director Company Secretary Since May, 2014	Monthly 2016: \$8,000 2017: \$10,000	8,746,088 Common Shares (29.44%)	8,746,088 Common Shares (27.80%)
Yevgeniya Aleksandrovna Ponarina aka Zhenya Beck (Vancouver, BC)	Vice President, Marketing Since June 2014	Monthly 2016: \$6,000 2017: \$8,000	8,733,000 Common Shares (29.39%)	8,733,000 Common Shares (27.76%)
Asghar Abbas Khan (Vancouver, BC)	Director Since March 2017	Nil	525,000 Common Shares (1.77%) and 2,675,000 Options to purchase Common Shares (8%) ⁽¹⁾	525,000 Common Shares (1.67%) and 2,675,000 Options to purchase Common Shares (8%) ⁽¹⁾

Notes:


(1) In accordance with a contractual agreement which provides that Options to purchase 2,675,000 Common Shares, to a maximum of 8% of total authorized, at an exercise price of \$0.005 per Common Share will be granted by the Issuer to Equifaira Advisors Inc., a company where Asghar Khan is a Managing Partner and Director, of which none have been exercised. As of the date of this Offering 525,000 Common Shares have been granted by the Issuer at a price of \$0.005 per Common Share.

3.2 Management Experience

There are two (2) company directors at the date of this Offering Memorandum (Eric Beckwitt, CEO and Director and Asghar Khan, Director). One (1) additional director is being considered and may be appointed to the Board in 2017.

The Freightera management team and their advisors have a wealth of experience in the domestic and international freight industry, which it serves and in software development projects, which it has successfully executed to become a revenue producing commercial enterprise.

Each member has either founded or played a key role in start-up technology-based enterprises involving extensive private equity funding and cash-flow management. The following is a summary of the qualifications of those executives, their experience and activity in recent years.

Name	Principal occupation and related experience
 Eric Beckwitt	<p>Founder, CEO, and Director. Eric has successfully designed, obtained funding for and implemented large scale private and government resource management projects for 24 years. Eric has worked as a GIS Analyst, developed global business websites and reported on IT projects to international organizations, to Congress and the President of the U.S. Eric was the principal development team leader and patent holder of what has become the Freightera freight marketplace application.</p>



Yevgeniya Aleksandrovna
Ponarina (Zhenya Beck)

Vice President, Marketing. Zhenya has a Master’s degree in Journalism from Irkutsk State University and as Co-Founder of Centauria Design, she worked with large organizations and NGOs in web design, web development and online automation services. In 2013, she directed the design and content development process that won “Best Transportation Website” award among 66 countries in the Web Marketing Association's WebAwards. Zhenya is the recipient of the Award of Achievement in Digital Analytics from the University of BC and is responsible for Freightera’s marketing with an emphasis on promotions and optimizing the company’s exposure.



Norris Arthur Phillippe

Vice President, Corporate Finance. Norris worked for 20 years in the freight industry across Canada, the U.S. and overseas and for 15 years as the Co-founder, President & General Manager of Enterprise CodeWorks, a software development and consulting company with clients ranging from start-ups to multinationals. His entrepreneurial experience and background knowledge of Freightera’s two core business components provides support to management and the rest of Freightera’s team. Norris has an MBA from the University of Liverpool. He is a partner and Vice President of Equifaira Advisors Inc., which provides management consulting and advisory services.



Bernard Todd Buchanan

Advisor, Strategy & Execution. Todd has worked with over 100 Fortune 500, public and private companies, on the creation and implementation of business process management methods and technology. He founded SiCam Systems Corporation, a hi-tech company that conducts research, development and international deal delivery of specialized process management technology products and consulting services. Most recently, Todd was a founding executive of the LYFE Kitchen and Luvo food brands in the position of Vice President, Strategy and Execution, primarily responsible for raising the capital required from start-up through hyper growth, building the operating plan and infrastructure to scale the business. Todd is also a founder, managing partner and director of Equifaira Advisors Inc., which provides management consulting and advisory services.



Asghar Abbas Khan

Director. Asghar comes from his previous held positions as Head of Strategy, Asia Pacific for PepsiCo; Director, Business Planning for Rogers Communications and Director of Finance & Operations for Nutech Engineering. Asghar brings his experience in strategic planning, financial management and mentorship to Freightera, to assist in the anticipated rapid growth of the company. Asghar has an MBA from The Wharton School, University of Pennsylvania. He is also a founder, CEO and director of Equifaira Advisors Inc., which provides management consulting and advisory services.

Note: Equifaira Advisors Inc. is a team of experts that work inside high growth-potential, Founder-led businesses. They carefully select and are engaged by private companies to help them grow by providing strategic planning and a variety of professional management services, guiding them to create best industry and management practices and to achieve profitability and success including a liquidity event for their investors.

3.3 Penalties, Sanctions and Bankruptcy

There has been no penalty or sanction that has been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against:

- i. a director, executive officer or control person of the Issuer, or
- ii. an Issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.

There has been no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets that has been in effect during the last 10 years with regard to any:

- i. director, executive officer or control person of the Issuer, or
- ii. Issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.

3.4 Loans

There have never been any debentures or long-term loans due to or from the directors, management, promoters and principal shareholders of the Issuer.

From time to time, directors, management, promoters or principal shareholders of the Issuer may provide short-term loans to the Issuer. As of the date of this Offering Memorandum, there are no loans payable by the Issuer.

ITEM 4: CAPITAL STRUCTURE

4.1 Share Capital

Pursuant to the terms of the Articles of Incorporation of the Issuer, the authorized capital of the Issuer consists of Forty-eight Million (48,000,000) shares, comprised of Forty Million (40,000,000) shares of common stock (the “Common Shares”), and Eight Million (8,000,000) shares of Class A Preferred Stock (the “Preferred Shares”), all without par value.

The designations, powers, preferences, rights, qualifications, limitations or restrictions relating to the Preferred Shares and the Common Shares are as follows:

Preferred Shares. The Preferred Shares may be issued from time to time in one or more series. The Board of Directors of the Issuer is authorized, subject to the Business Corporations Act and prior to the issuance of any series of Preferred Shares, by resolution or resolutions to alter the Articles to fix the number of shares included in such series and determine the designation of shares of that series to create, define and attach the rights, privileges, restrictions and conditions attaching to the Preferred Stock in that series. No rights, privileges, restrictions or conditions attached to a series of Preferred Stock shall confer upon a series priority over any other series of Preferred Stock. No Preferred shares have been issued as of the date of this offering and the rights, privileges, restrictions and conditions have not been set. The preferred shares are non-voting.

Common Shares. Each share of Common Shares shall have one vote upon all matters to be voted on by the holders of the Common Shares. The Common Shares shall share rateably, subject to the rights and preferences of the Preferred Shares, in all assets of the Issuer in the event of any voluntary or involuntary

liquidation, dissolution or winding up of the affairs of the Issuer, or upon any distribution of the assets of the Issuer.

Description of security	Number authorized to be issued	Price per security	Number outstanding as at December 28 th , 2017	Number outstanding after Minimum Offering ⁽¹⁾	Number outstanding after Maximum Offering
Common Shares	40,000,000	Fixed by the Directors	29,712,602	N/A	31,462,602
Preferred Shares	8,000,000	Fixed by the Directors	0	N/A	0
Stock Warrants	N/A	Fixed by the Directors	498,424 ⁽²⁾	N/A	915,091 ⁽⁵⁾
Stock Options	N/A	Fixed by the Directors	0	2,675,000	2,675,000 ⁽³⁾
Broker Warrants	N/A	Fixed by the Directors	0	N/A	87,500 ⁽⁴⁾

Notes:

(1) There is no minimum amount for the Minimum Offering therefore a disclosure of the number under this column is inapplicable and may be in any amount from 29,654,150 shares up to and below 31,404,150.

(2) Warrants outstanding to shareholders at an average price of \$0.4606 per Common Share.

(3) Total Options granted and available for vesting of which none have been exercised as at the date of this Offering Memorandum in accordance with a contractual agreement at an exercise price of \$0.005 per Common Share for ongoing advisory and management consulting services.

(4) See Item 7: Compensation Paid to Sellers and Finders, the Issuer may issue broker warrants up to 5% of the Offering at an exercise price of \$1.20 per Common Share.

(5) Assuming 416,667 warrants issued as part of the first tranche Unit offering under this Offering Memorandum

4.2 Long Term Debt Securities

There is no long term debt payable by the Issuer.

4.3 Prior Sales

The following table lists the outstanding securities of the Issuer issued within the past 12 months including options ⁽¹⁾, warrants ⁽¹⁾ and any other securities convertible into shares.

Date of Issuance	Type of security issued	Number issued	Price per security \$	Total funds received
31 January 2017 ⁽¹⁾	Common Shares	329,755	0.35	\$115,414.25
19 April 2017	Common Shares	30,999	0.60	\$18,599.40
9 May 2017	Common Shares	245,498	0.60	\$147,298.80
14 June 2017	Common Shares	175,000	0.60	\$105,000.00
28 June 2017	Common Shares	55,987	0.60	\$33,592.20
7 July 2017	Common Shares	177,874	0.60	\$106,724.40
24 July 2017	Common Shares	169,822	0.60	\$101,893.20

15 September 2017	Common Shares	90,374	0.60	\$54,224.40
22 September 2017	Common Shares	141,619	0.60	\$84,971.40
26 September 2017	Common Shares	682,871	0.60	\$409,722.60
28 September 2017	Common Shares	19,615	0.60	\$11,769.00
3 October 2017	Common Shares	93,334	0.60	\$56,000.40
10 October 2017	Common Shares	25,000	0.60	\$10,000.00
12 October 2017	Common Shares	43,657	0.60	\$26,194.20
16 October 2017 ⁽²⁾	Common Shares	112,721	0.60	\$0
18 October 2017	Common Shares	41,667	0.60	\$25,000.20
15 November 2017 ⁽²⁾	Common Shares	50,119	0.439	\$0
1 December 2017	Common Shares	25,000	0.60	\$15,000.00
	Total Common Shares	2,510,912		\$1,321,404.45
31 December 2016	Warrants	227,938	0.60	\$0
31 January 2017	Warrants	109,835	0.60	\$0
	Total Warrants ⁽³⁾	337,773		
21 February 2017	Options	2,675,000	0.005	\$0
	Total Options ⁽⁴⁾	2,675,000		

Notes:

Options and/or Warrants may be issued in exchange for services related to financial and business planning advisory and management consulting, and other services, as may be provided to the Issuer on a contractual basis

(1) Previously issued warrants exercised.

(2) Common Shares issued per employee & consultant compensation agreements.

(3) In addition to the Warrants included in this total, 1,721,991 Warrants were issued prior to the last 12 months of which 1,306,580 have since been exercised at an average price of \$0.3086.

(4) Total Options granted and available for vesting of which none have been exercised as at the date of this Offering Memorandum and in accordance with a contractual agreement at an exercise price of \$0.005 per Common Share for ongoing advisory and management consulting services.

ITEM 5: SECURITIES OFFERED

In the first tranche, a Unit comprised of one Common Share and one common share purchase warrant exercisable at \$1.20 per share, with the warrants expiring on November 30th, 2018.

In the second tranche, Common Shares. The second tranche of the offering is only for Common Shares with no conversion or exercise price, or date of expiry.

The Common Shares to be issued in the first tranche (as part of the Units) and the second tranche are of the same class of common shares. Each such Common Share entitles its holder to one vote at meetings of common shareholders of the Company and at any other meeting that such holders may be entitled to vote. For additional information about the Common Shares, please refer to item 4.1 above.

The warrants to be issued as part of the Units do not entitle their holders to any voting rights. A shareholder of Common Shares holding such warrants has only voting rights with respect to the Common Shares such shareholder holds.

All Common Shares, whether acquired as part of the Unit offering (in the first tranche) or the Common Share offering (in the second tranche) are subject to the Shareholders' Agreement (see item 5.1 Terms of Securities for more details).

5.1 Terms of Securities

The material terms of the securities are provided for in the Shareholders' Agreement dated November 19th, 2015 attached as Appendix 1 to this Agreement. The following is a summary of the terms:

Voting rights

Each Common Share entitles the holder to one vote. On a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote. On a poll, every Shareholder entitled to vote in respect of each share entitled to be voted on the matter and held by that Shareholder and may exercise that vote either in person or by proxy.

If there are joint shareholders registered in respect of any share, any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it.

Interest Rates or Dividend Rates

No interest is paid in relation to this Offering of Common Shares and no dividend bears interest against the Issuer.

The Company's board of directors may from time to time declare and authorize payment of dividends as they may deem advisable. Any dividend may be made payable at a rate on such date as is fixed by the directors. However, any such declaration, authorization or payment is not guaranteed or intended as a condition of this Offering.

Tag Along Rights

The following is from the Shareholders' Agreement in Appendix I and the capitalized terms not otherwise defined below are defined therein.

With respect to the transfer of a particular class of Shares, if any Founder (a "**Piggyback Seller**" for the purposes of this section) wishes to transfer its Shares (the "**Offered Securities**") to a third party (a "**Piggyback Sale**"), then any Shareholder (the "**Other Holder**") shall have the right (the "**Piggyback Right**") to participate in any such Transfer of Shares by that Piggyback Seller on the following terms and conditions:

- a. **Intended Sale Notice.** If the Piggyback Seller intends to proceed with a Piggyback Sale, the Piggyback Seller shall immediately notify each Other Holder in writing specifying:
 - i. The name and address of the third party (the "**Third Party**") intended to purchase the Offered Securities;
 - ii. The purchase price the Third Party is to pay the Piggyback Seller for the Shares to be purchased (the "**Specified Prices**") and the other terms and conditions of the intended sale;
 - iii. The number and class of Equity Securities held by the Third Party and its Associates and Affiliates; and
 - iv. That each Other Holder has the Piggy Right provided under this section in respect of the proposed Transfer.

- b. **Securities which can be Piggybacked.** Each Other Holder shall be entitled to sell to the Third Party, in conjunction with the closing of the Third Party’s purchase of Shares from the Piggyback Seller, such Other Holders pro rata portion of his, her or its Shares (or such lesser number of Shares as each Other Holder may determine) determined by the following formula, and for clarity such entitlement is only with respect to the particular class(es) of Shares that is/are part of the Piggyback Sale and the following formula is to be calculated for each such class separately:

$$\begin{array}{l} \text{Proportion of the class of} \\ \text{Shares that is to be} \\ \text{Transferred in the Piggyback} \\ \text{Sale an Other Holder may sell} \end{array} = \frac{\text{Number of such particular class of Shares on a Fully} \\ \text{Converted Basis held by the Other Holder for whom this} \\ \text{formula is being used for}}{\text{Total number of such particular class of Shares on a Fully} \\ \text{Converted Basis then held by all Other Holders (including} \\ \text{the Other Holder for whom this formula is being used for)} \\ \text{and the Piggyback Seller as a group}} \times 100\%$$

- c. **Exercise Notice.** Each Other Holder shall have 14 calendar days after the receipt of the Piggyback Notice, to exercise its Piggyback Right by written notice to the Piggyback Seller specifying the number of Shares which each Other Holder elects to sell to the Third Party hereunder as applicable given the particular class of Shares the Third Party is intending to purchase from the Piggyback Seller.
- d. **Piggyback Sale to Third Party.** If an Other Holder exercises the Piggyback Right, the Piggyback Seller may not complete the Transfer of the Offered Securities to the Third Party unless the Third Party also purchases from the Other Holder all of the Shares (the “**Piggyback Securities**”) in respect of which the Piggyback Right was exercised at the same time and on the same terms and conditions.

If the Third Party will not purchase the Piggyback Securities from the Other Holders on the terms and conditions provided for herein, then the Piggyback Seller shall not Transfer the Offered Securities to the Third Party. If the Piggyback Seller Transfers all or part of the Offered Securities to the Third Party in violation of the foregoing, then each Other Holder shall have the right to put (by notice in writing) its Piggyback Securities to the Piggyback Seller at the Specified Prices, in addition to any other rights or remedies it may have at law or equity.

For clarity, this section gives the right to Other Holders to sell the particular Share class that is subject to the Piggyback Sale and not for other Share classes that were not subject to the Piggyback Sale.

Drag Along Rights

The following is from the Shareholders’ Agreement in Appendix I and the capitalized terms not otherwise defined below are defined therein.

If:

- a. shareholders of the Corporation holding not less than 80% of the issued and outstanding Common Shares (on a Fully Converted Basis) (the “Selling Shareholders”) have agreed to Transfer to an arm’s-length Person or Persons acting in concert (the “**Purchaser**” for the purposes of this section) pursuant to a bona fide offer all of the Common Shares of the Corporation held by the Selling Shareholders or the Selling Shareholders approve a sale of all or substantially all of the assets of the Corporation to the Purchaser; and
- b. in the case of an offer for all of the Common Shares of the Corporation as indicated in the subsection above, the Purchaser offers to each of the other shareholders of the Corporation (the

“Other Shareholders”) to purchase the remaining Common Shares of such Other Shareholders (the “**Specified Securities**”) on equivalent terms and conditions, mutatis mutandis, as those agreed to by the Selling Shareholders, but subject to the rights and restrictions, including all liquidation preferences, attaching to the respective Shares as set out herein and in the Constatting Documents of the Corporation, and all of which terms and conditions are set out in writing and promptly delivered to the Other Shareholders (the “**Drag Along Offer**”),

then, in the case of an offer for all of the Common Shares of the Corporation, the Other Shareholders will be required to sell all of their Specified Securities to the Purchaser in accordance with the terms and conditions of the Drag Along Offer, and in the case of a sale of all or substantially all of the assets of the Corporation, the Other Shareholders shall consent to, vote for and raise no objection to such sale and shall do such additional acts as are necessary and desirable to give effect to such sale.

If any of the Other Shareholders (the “**Delinquent Holders**”) fail to sell their Specified Securities to the Purchaser in accordance with the terms and conditions of the Drag Along Offer, the Purchaser will have the right to deposit the applicable purchase price for those Specified Securities 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 Delinquent Holders’ Specified Securities duly endorsed for transfer to the Purchaser. Upon such deposit being made, the Specified Securities in respect of which the deposit was made will hereby automatically (without any further action of any kind on the part of the Delinquent Holders or the Purchaser unless required by applicable laws) be transferred to and purchased by the Purchaser and will be transferred on the books of the Corporation to the Purchaser and the rights of the Delinquent Holders in respect of those Specified Securities after such deposit will hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective Specified Securities duly endorsed for transfer to the Purchaser.

Founders’ Subordination

The following is from the Shareholders’ Agreement in Appendix I and the capitalized terms not otherwise defined below are defined therein.

Notwithstanding anything to the contrary, if prior to an IPO, the Corporation undergoes a Sale, then if the aggregate proceeds from such Sale that are payable to each Shareholder for his or her Common Shares is less than the Original Purchase Price (as computed, the “**Shareholder Deficit**”), then each of the Founders shall forfeit and subordinate to such Shareholders, such portion of their proceeds that is in excess of their respective aggregate Original Purchase Price, to the extent of such Shareholder Deficit.

Endorsement on Share Certificates

The following is from the Shareholders’ Agreement in Appendix I and the capitalized terms not otherwise defined below are defined therein.

Any and all certificates representing Equity Securities now or hereafter owned by Shareholders during the currency of this Agreement (whether such Equity Securities are issued initially or following a Transfer or otherwise) will have endorsed thereon in bold type the following legend:

“The securities represented by this certificate are subject to the provisions of a Shareholders Agreement dated for reference November 19th, 2015, as amended, restated or replaced from time to time, and such securities are not transferable on the books of the Corporation except in accordance and compliance with the terms and conditions of such Agreement and Articles of Incorporation of the Corporation.”

Waiver of Rights

The following is from the Shareholders' Agreement in Appendix I and the capitalized terms not otherwise defined below are defined therein.

Notwithstanding any other provision of Article 3 of the Shareholders' Agreement any Person may waive its rights with respect to any particular offer or right given under, or provision contained in, Article 3 by notice in writing to the Corporation and the Shareholder who is proposing to transfer Shares.

Share Certificate Legends; Hold Period; Transfer Restrictions

Any share certificates or similar documentation evidencing any Common Share issued under this Offering Memorandum will contain a legend or similar notation indicating the applicable hold period, transfer restrictions, and any other applicable restrictions attached to such Common Share. In general, subject to and except pursuant to applicable securities laws, the holder of each Common Share issued under the Offering Memorandum must not trade the Common Share before the date that is four months and a day after the later of the date of the issuance of such Common Share and the date the Company becomes a reporting issuer in any province or territory in Canada. Presently, the Company is not a reporting issuer in any province or territory in Canada, and there is no assurance that it will become a reporting issuer in the future. Furthermore, the Company is a private company and not a public company. For so long as the Company is not a public company, no Common Share may be sold, transferred or otherwise disposed of without the consent of the Company's directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

5.2 Subscription Procedure

Subscription and Payment

You may subscribe for the Units and/or the Shares, for the first and second tranche, respectively, by returning to the Issuer the following:

- a. a completed Subscription Agreement in the form accompanying this Offering Memorandum, duly executed – you should keep a copy of this agreement and the Offering Memorandum for your records;
- b. a completed copy of a Risk Acknowledgement Form (Form 45-106F4), duly executed. Subscribers in Alberta, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan must also complete Schedules 1 and 2 to the Risk Acknowledgement Form -- you should keep a signed copy of this form along with its Schedules, if applicable to you;
- c. a completed copy of the Shareholders' Agreement, duly executed; and
- d. a certified cheque or bank draft or wire transfer made payable to the Issuer, or other form of payment acceptable and pre-arranged with the Company, in the amount of the Subscription Price in Canadian Dollars.

The Subscription Agreement, Risk Acknowledgement Form and any related Schedules, Shareholders' Agreement and Subscription Price will be retained in the possession of the Issuer until closing. The Company has the discretion to fully or partially accept or reject any subscription for the Units and/or the Common Shares by the applicable Date of Closing. In case of rejection of any subscription, the part of the Subscription Price not accepted by the Company for closing will be refunded to the prospective purchaser. On the Date of Closing, the Subscription Agreement and the Subscription Price may be accepted (fully or partially) by the Issuer, and if accepted, the Risk Acknowledgement Form and its Schedules will be retained by the Issuer for eight years in compliance with National Instrument 45-106.

By signing the Subscription Agreement, the prospective purchaser authorizes the Issuer to perform certain functions, as described in this Offering Memorandum. A Subscriber will only be accepted as a Shareholder if on or before the Date of Closing the Issuer is in receipt of the Subscription Documents in accordance with the Subscription Agreement, including the Subscription Price.

You may not subscribe for fractional Units or fractional Shares and no fractional Units or fractional Common Shares will be issued by the Company.

Consideration to be held in trust

We will hold your subscription funds in trust until midnight on the second business day after the day on which we received your signed Subscription Agreement.

Right of Issuer to refuse Subscriptions

The Issuer reserves the right to accept or reject any Subscription Agreement in whole or in part and close the Offering at any time, without notice. If the Issuer rejects any Subscription Agreement (in whole or in part), the Issuer will return the Subscription Price (or part thereof in case of a partial acceptance) to the Subscriber, without deduction or interest payable to the Subscriber.

Conditions to closing

The Issuer reserves the right to accept or reject subscriptions in whole or in part at our discretion and to close the Offering at any time without notice. Any subscription funds for subscriptions that we do not accept will be returned promptly after we have determined not to accept the funds.

The Issuer expects to have multiple closings of the Offering prior to any final closing date as the Issuer may, in its sole discretion, determine.

Share certificates (and warrant certificates with respect to the Unit offering) will be issued to investors at or before the final closing date (as applicable for the first and second tranche) as the Issuer may, in its sole discretion, determine.

ITEM 6: INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Professional Advisor

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

6.2 Other Income Tax Disclosure

Not applicable

6.3 RRSP Eligibility

Not all securities are eligible for investment in a registered retirement savings plan (RRSP).

You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS

The Issuer has and may enter into agency agreements to market the Units and the Common Shares under the terms of this Offering Memorandum. The agency agreements shall provide for a sales commission not to exceed in the aggregate 12%, or \$252,000 (assuming the Maximum Offering).

The Issuer may grant brokers' warrants, agents' options or other securities as payment of compensation under agency agreements as negotiated by the Issuer and may include broker warrants of up to 5% of gross proceeds from the sale of Units and/or Common Shares resulting directly from the agent's efforts converted to Units and/or Common Shares at the price that the Units and/or the Common Shares are then currently being offered at an exercise price that the Issuer determines is fair and reasonable under the circumstances and pursuant to applicable laws. Given that there is no minimum amount for the Minimum Offering, the number of such warrants, options or other securities may vary depending on the actual Minimum Offering after completion of the same.

There is no other compensation in the form of securities paid to any seller or finder of the Units or the Common Shares offered under this Offering Memorandum.

ITEM 8: RISK FACTORS

8.1 *Investment Risk*

The purchase of the Units and the Common Shares involves a high degree of risk. The following is a summary of only the material risk factors that may face the Issuer. However, additional risks that the Issuer does not currently know about or that it currently believes to be immaterial may also impair our business operations. If any of the following risks actually occurs, our business, results of operations and financial condition could be materially adversely affected. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective purchasers should consider the following:

Our Securities are Speculative: there is No Market for our Securities, and the Securities have Resale Restrictions.

The purchase of the Units and the Common Shares is highly speculative. You should buy them only if you are able to bear the risk of the entire loss of your investment and have no need for immediate liquidity in your investment. An investment in the Units or the Common Shares should not constitute a major portion of your portfolio. You should consult your own independent advisors as to the tax, business and legal considerations regarding an investment in our securities. Because there is no market for our securities you may not be able to sell your securities. 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 your securities and recover any part of your investment. In addition to restrictions on securities provided for under securities laws, the Units and the Shares are subject to additional restrictions on resale as set out in the Shareholders' Agreement and the Company's articles.

Value of Securities of the Company

We determined the price of the Units and the Common Shares arbitrarily. The price bears no relationship to earnings, book value or other valuation criteria.

No Minimum Subscription

The Offering is subject to no minimum subscription level and, therefore, any funds received from an investor will be made available to the Issuer subject only to the purchaser's rights described in Item 14 and

need not be refunded to the investor once the Company closes on the investor's subscription. On several dates prior to and upon completion of the Offering, all of the subscription funds will be advanced to the Issuer. In the event that the Issuer does not raise or invest the Maximum Offering, there may be insufficient funds to achieve all of the Issuer's objectives.

The Issuer has a limited Operating History

The Issuer is entering its fourth year of commercialization and therefore a limited history of earnings. There is no assurance that Issuer will be able to achieve and then maintain sales or earnings.

Marketability of the Units and the Shares, No Listing, and Exit Strategy

There is currently no formal market for the Units, or the warrants included in the Units, or the Common Shares, nor is it expected that one will develop. The Units and the Common Shares will be sold pursuant to exemptions from applicable securities laws and any disposition of Units, the warrants included in the Units, and the Common Shares will require compliance with such laws, including resale restrictions. Consequently, it is possible that Unit holders and Shareholders of Common Shares may not be able to liquidate their investment and that the Units as a whole, the warrants included in the Units, and/or the Shares may not be readily acceptable as collateral for loans.

The Units, the warrants forming part of the Units, and the Common Shares are not currently listed on any stock exchange, market, or quotation system, and the Issuer has no plans in place to list any of Units, the warrants, or the Common Shares on any of the foregoing.

Tax Matters

The return on a Shareholder's investment in his/her/its Units and/or Common Shares is subject to changes in Canadian Federal and Provincial tax laws, as well as any other tax laws applicable to the Shareholder. There can be no assurance that the tax laws will not be changed in a manner which will fundamentally alter the tax consequences to investors of holding or disposing of Common Shares and/or the Units. No advance income tax ruling has been applied for or received with respect to the income tax consequences set out in this Offering Memorandum. Each prospective investor and Shareholder must seek advice from their own legal, accounting, and financial advisors regarding tax matters applicable to such investor or Shareholder.

No Representation

The Issuer has not retained any independent professionals to review or comment on this Offering or otherwise protect the interests of the Subscribers. Although the Issuer has retained its own counsel, neither such firm nor any other firm has made, on behalf of the Purchaser, any independent examination of any factual matters represented by management herein, and purchasers of the Units and the Shares offered hereby should not rely on the firm so retained with respect to any matters herein described.

8.2 Issuer Risk

Dilution

Purchasers in this Offering will incur immediate and substantial dilution in the net tangible book value of their investment as a result of this Offering.

The Subscription Price will be substantially higher than the net tangible book value per Unit and per Common Share immediately after this Offering. If you purchase Units and/or Common Shares in this Offering, you will incur immediate and substantial dilution of \$1.20 per Common Share, representing the

difference between the Subscription Price of \$1.20 per Common Share and our pro forma net tangible book value per Common Share as of the date of this Offering.

Moreover, warrants were issued in the past to acquire Common Shares at prices significantly below the Subscription Price. As of the date of this Offering Memorandum, there were 703,102 warrants issued and outstanding with an average exercise price of \$0.5012 per Common Share.

Operational Risk

The Issuer is in an early commercial and continuing development phase of its operations. An investor must assess the impact of the limited business history of the Issuer. Investors in the Issuer will be required to rely upon the Issuer in its ability to develop the product, the selection of the geographical territories to be developed, the management and operation of the Issuer's proposed marketing to key partners, strategic alliances and end users and the general administration of its business.

The Issuer will rely to a significant extent on the expertise of its officers, employees and consultants. In addition, the overall performance of the business of the Issuer will be dependent upon the success of the sale of its Units and Common Shares, since the Issuer will require significant percentage of the Maximum Offering to commence all of its projects.

The Issuer is not producing net income and the Issuer may not be able to fully execute its business plan, for any number of reasons, including (without limitation) lack of sufficient funding, lack of sufficient market acceptance, inability to develop or obtain contracts or relationships with key partners, strategic alliances or end users, execution risk, competition and all of the difficulties and challenges associated with being a new business.

The Issuer expects to continue to incur net losses because the Issuer is expending substantial resources on the following areas of its operation, to grow the business, achieve eventual profitability and the significantly improve company's valuation:

- a. product development;
- b. intellectual property portfolio development;
- c. brand development;
- d. general and administration expense; and
- e. sales and marketing.

The Issuer's profitability depends on maintaining adequate volume of transactions at relatively low margins, particularly in light of operational risks faced from competitors. As a result, changes in the volume of transactions handled by the Issuer and other factors such as occurrence of bad debts can materially and adversely affect the Issuer's profitability. The Issuer cannot be certain that its business strategy or model will be successful or that target revenues or profitability will ever be achieved. Even if profitability can be achieved, the Issuer cannot be certain that it can be consistently sustained or increased in the future.

The Issuer has employees dedicated to collections activities and uses the services of a legal firm for this purpose if otherwise unsuccessful, however, it cannot guarantee that it will be able to collect 100% of its accounts receivable. Factors such as changing economic conditions, insolvency of customers, disputes over transaction charges, and other factors may prevent the Issuer from collecting 100% of its accounts receivable and may negatively impact the success of the Issuer. Bad debts including unrecoverable service failure costs are itemized on its financial statements.

Business Risks and Barriers to Entry

The Issuer cannot be certain that its business strategy or model will not be subject to current or future competition offering a similar product and service or that other competitors may gain an advantage over the Issuer.

The Issuer cannot assure that there will be sufficient industry demand for the Issuer's services from Clients and Users in each market that we choose to enter. Should there not be sufficient demand from Clients and Users, the Issuer may experience a barrier to entering the market, a delay in entering the market and/or an inability to enter the market and/or sustain and/or grow the business of the Issuer in the market.

The Issuer cannot assure that it will be able attract Clients to its website and/or service offerings and/or to convert them to Users and/or generate sufficient demand for the services of the Issuer. Should there not be sufficient demand for the Issuer's program, the Issuer may experience a barrier to entering the market, a delay in entering the market and/or an inability to enter the market and/or sustain and/or grow the business of the Issuer in the market.

The Issuer cannot assure that it will be able to ensure that the Freightera marketplace platform will continue to comply with laws, industry standards, rules or regulations for the jurisdictions in which we operate, which is an ongoing challenge both for existing markets and when entering new markets and could be a barrier to such markets.

The Issuer cannot assure that it will be able to build the Client and User base sufficiently to create the desired revenues, or it may take longer than anticipated to grow the Client and User base.

The Issuer cannot assure that it will be able to overcome resistance of Clients or User to adopting new technology, changing their business practices or accepting the costs of converting their existing systems and business practices.

The Issuer cannot assure that all Carriers will work with us or provide the most favourable rates.

Change in Technology

Ensuring that the Client and User experience and functionality is continuously improved and kept up to date with the fast pace of change in the technology industry is an ongoing challenge for the Issuer. The pace of change of technology and the requirement for the Issuer to continuously improve the system is an ongoing risk and the Issuer cannot assure that it will be able to keep up with the pace of change.

Additional Financing

The Issuer intends to use the net proceeds of this Offering for the purposes of continuing the Issuer's product and service development, hiring of new personnel, research and development, intellectual portfolio development, branding, marketing, promotions and sales and other activities necessary to operate the business. The Issuer will require additional funds to develop and grow its business. The Issuer cannot accurately predict the timing and amount of such capital requirements. The Issuer's future capital requirements will depend on numerous factors, including:

- a. the success in securing additional Clients, Users and strategic partners;
- b. the Issuer's ability to implement its marketing and sales strategy;
- c. the rate of market acceptance of the Issuer's product;
- d. the Issuer's ability to maintain and improve its gross margins; and

- e. the Issuer’s ability to keep pace with advancing technology.

The Issuer presently has no contractual commitments for additional financing and it cannot give any assurance that any commitments can be obtained on favourable terms or at all.

The Issuer may have to sell a substantial number of its securities in order to obtain additional equity financing. Any additional equity financing, which may include the offering of preferred stock that the Issuer undertakes may dilute the Issuer’s Shareholders.

In addition, debt financing, if available, may involve restrictive covenants with respect to distributions, raising future capital and other financial and operational matters, and may otherwise limit the Issuer’s ability to raise additional equity capital.

Key Employees and Strategic Alliances

The Issuer’s success will depend on its ability to attract, retain, train and motivate highly skilled employees, particularly systems development and sales and marketing professionals. The Issuer may not be able to attract the personnel it needs to execute its business plan. The Issuer’s current management and/or key employees might not have the requisite skills to ensure the Company’s financial success.

Further, the Issuer’s success depends on a continuing and expanding its relationships with Clients, Users and other business partnerships. The Issuer also engages or will engage certain third parties for advice on technology, market data, legal, human resources, intellectual property and public relations and other areas where specialized expertise may be required and its success will depend on its ability to make such strategic alliances. The Issuer will depend substantially on the services of its executive team, management team, development team, sales and marketing team and its strategic alliances.

The Issuer’s business may be harmed if it loses the services of any one of its key employees, strategic alliances or key partners and is unable to attract and retain qualified replacements.

The Issuer has no control over third party service or supplier providers on which it depends and may depend to run its business and should there be a change in the quality or level of service or supplies from such providers, then such change could materially adversely affect the Issuer.

Interests of Principals and Others in Material Contracts and Conflicts of Interest

The majority of the agreements and arrangements between the Issuer and its officer(s) and director(s), including management services contracts, have not been the result of arm’s length negotiations but are believed to be reasonable in relation to the services performed. The Issuer will be relying on its respective officers and directors to advise it with respect to the development of its business. The officer(s) and director(s) of the Issuer are now or may become in the future officers and/or directors of other entities or act as principals, officers or directors of other businesses. They may have conflicts of interest in allocating management time, services and functions among the Issuer and any other present or future businesses which they may organize, or provide management services to, as well as other business ventures in which they are or may become involved. Management intends to handle conflicts of interest in accordance with applicable law.

Management of Growth

The Issuer anticipates rapid growth and plans to capitalize on this growth. The Issuer’s future operating results will depend on management’s ability to manage this anticipated growth, hire and retain qualified employees and strategic partners, properly generate revenues and control expenses. A decline in the

growth rate of revenues without a corresponding reduction in expense growth could have a material adverse effect on the Issuer's business, results of operations, cash flows and financial condition.

Nature of the Underlying Businesses

The Issuer is establishing a business within a competitive industry. Its success will be dependent upon its ability to develop and market its product profitably in the domestic and international marketplaces. Also important will be the Issuer's ability to source and maintain adequate alternate investment and/or debt financing and/or government assistance to meet the cash flow requirements of its operations.

Cash Flow Deficiencies

The successful operation of the Issuer will be dependent on management's ability to attain and maintain sales revenue sufficient to meet expenditures. There is no assurance that the operations of the Issuer will provide any cash flow available for distribution to the Issuer.

Management by Others

All decisions with respect to the management of the Issuer will be made exclusively by the Board of Directors, subject only to limited protective provisions and voting rights in favour of subscribers required by law. Subscribers will have to rely on the judgment of the Board of Directors in the operation of the Issuer and errors in the Board of Directors' business judgment could have a material adverse effect on the Issuer and its results from operations. The Board of Directors and officers of the Issuer will have no liability for any obligation of the Issuer unless prescribed by applicable law. The Issuer will be required to indemnify the Board of Directors, the officers, and their respective affiliates for liabilities incurred in connection with the affairs of the Issuer. Such liabilities may be material and have an adverse effect on the returns to the subscribers. The indemnification obligation of the Issuer will be payable from the assets of the Issuer, including funds contributed by the subscribers. Applicable corporate and securities laws may impose liabilities under certain circumstances on persons who do not act in good faith, and nothing herein will waive or limit any rights that a Subscriber or a Shareholder may have against the Board of Directors under those laws. In addition, to the extent permitted by applicable law, the Issuer is permitted to advance funds for legal expenses and other costs incurred as a result of a legal action against persons entitled to indemnification if such persons agree in writing to repay the advanced funds to the Issuer if it is subsequently determined that such person is not entitled to such indemnification.

Continued Brand Recognition

The Issuer believes that developing and then maintaining its brand and being able to expand its Client and User base is critical to its success. The importance of brand recognition may become greater as competitors offer similar services. The Issuer's brand-building activities will involve increasing awareness of its brand, creating and maintaining brand loyalty and increasing the availability of its product and service offerings. If the brand-building activities are unsuccessful, the Issuer may never recover the expenses incurred in connection with these efforts, and it may be unable to implement its business strategy and increase its future sales, and may lose market share.

Adaption to Changing Preferences

The success of the Issuer's product development and sales and marketing efforts is affected by its ability to anticipate changes in industry trends, the technical capability of its product development staff in developing and testing the software, including complying with governmental regulations, and the success of its management and sales team in introducing, selling and marketing the product features, and securing financing to fund the business in pursuance of these activities. Failure to develop, add new features to and market the product may lead to a decrease in the Issuer's future growth, sales and profitability. Additionally, the development of the product requires substantial systems development and marketing

expenditures, which the Issuer may not be able to finance and/or recoup if the product does not gain widespread market acceptance.

Intellectual Property

The original cloud-based application was developed by Eric Beckwitt's web development company Centauria Design for the now bankrupt Freightopolis Inc. of Montreal. Although the system worked for Freightopolis and generated over \$1 million in revenue, the company over-extended its financial resources, was unable to manage its fixed overhead, including approximately 70 full-time staff, and closed their doors in April 2014. The company was formally judged bankrupt in August 2014.

At the time of bankruptcy, the development contract with Centauria Design was voided due to lack of payment in cash and shares and the Intellectual Property (IP) developed by Centauria Design for Freightopolis (both copyright and patent) had not been transferred to Freightopolis, and the development contract included no language requiring transfer of the IP. Under Canadian law, unless the IP is specifically transferred, it remains the sole property of the author, in this case Eric Beckwitt/Centauria Design. The Issuer has secured legal opinion on this matter from the law firm of Fasken Martineau DuMoulin LLP. Notwithstanding any comment or opinion here written under this sub-section titled 'Intellectual Property', the source code and other Intellectual Property currently forming the Freightera marketplace software is significantly altered, expanded and upgraded from the original and is copyrighted in its own right. This recoding and alteration accelerated in 2017 with the release of completely redesigned and largely reprogrammed public pages of the website.

Although it was clear that any potential rights to the IP were extremely limited (the Trustee in bankruptcy process valued the estate at \$3), these rights were purchased by a numbered company believed to be owned by several former Freightopolis investors. Freightera was not contacted by this company directly at that time and learned of this transaction only from the Trustee. (See 'Contingent Liability' below).

Patent and Copyright

The original patent was filed in 2012 (Precautionary Provisional Application) and 2013 (full filing) in the U.S. only. The inventors are (equally) Jack Pollack, Chaim Stern and Eric Beckwitt. In May 2014, on behalf of all three inventors, Eric Beckwitt filed under the Patent Cooperation Treaty (PCT) to reserve rights worldwide. The original patent (full filing) was abandoned and will almost certainly be rejected. New patent applications have been filed in Canada, the U.S. and the European Union, beginning in October 2015, in the name of the original inventors.

As of October 4, 2017, the original patent has been abandoned in the European Union.

Independent of the original patent application, Freightera has developed extensive, new, patentable intellectual property and a new and separate patent owned solely by Freightera was filed in 2017. This new patent, if granted, would be the sole property of Freightera. Freightera is applying for worldwide protection for the new patent under the Patent Cooperation Treaty in late October, 2017.

The source code for the application software is also copyrighted, in Canada and the U.S. Although the bankrupt entity filed a copyright on the original code in 2011, it only represents approximately 5% of the total system code being used in the Freightera freight marketplace. Freightera has successfully copyrighted the complete, current system code in April 2015. All rights previously held by Eric Beckwitt and Centauria Design were formally transferred to Freightera on May 8, 2017.

The patent and copyright filings and other legal activity pertaining to these matters and any related correspondence is being handled by the law firm of Norton Rose Fulbright Canada LLP.

The code has been partially rewritten again with the new functionality and web interface design released Sept 1, 2017 and Freightera is now in the process of completely recoding the entire system for speed and efficiency.

Risk Related to Patent

Patent laws vary by country in relation to the rights of multiple inventors.

U.S. laws are specifically designed to provide equal rights to all inventors, to allow each inventor to fully use and profit from the invention. Any action by any one inventor to prevent another from using the invention in the marketplace is unlikely to be supported. As a result it is highly unlikely there would be any challenge from the other inventors under U.S. law. Under Canadian law, if two or more inventors were using the invention and working in a specific market, the courts may limit one or more parties from operating in the same market.

Contingent Liability

Notwithstanding any comments or opinions here written under this subsection “Risk Related To Patent”, either of the two inventors other than Eric Beckwitt, the original shareholders of Freightopolis, or any other entity that has acquired limited rights to the intellectual property or client lists could bring suit against Freightera in an attempt to limit use of the (original) patent, or seek compensation for the transfer of ownership rights.

During the year ending December 31, 2016, the Issuer received a demand letter from a third party, 2460566 Ontario Inc. (“566”) being the entity through which the original shareholders of Freightopolis have organized themselves, alleging that the Issuer was infringing on 566’s copyrights with respect to certain intellectual property and other assets allegedly owned by 566. The Issuer, while continuing to deny these allegations, wishes for an amicable resolution to this matter so as to minimize undue directing of Issuer resources towards the matter, and has been in discussions with 566 to reach an amicable settlement. The parties have so far been cooperative with one another to reach a resolution.

Though amicable discussions were and continue to be ongoing, on March 31, 2017, without any provocation during these discussions, 566 filed a statement of claim in the federal court in Ottawa, Ontario against the Issuer and Mr. Eric Beckwitt, alleging copyright infringement by them and requesting a permanent injunction with respect to the use of certain intellectual property by the defendants, damages, accounting of profits, order for the delivery of certain intellectual property to the plaintiff, and orders for pre- and post-judgement interest and costs for the action and taxes. The filing of the claim was a sharp departure from the amicable settlement process between the parties; however, the claim has not been served on the Issuer or Mr. Beckwitt, and 566 has indicated that (i) they have no intention of serving and pursuing their claim, (ii) that the filing of their claim was to preserve the time limitations for actions stipulated under the applicable statute of limitation legislation, and (iii) it should not interfere with the ongoing settlement process.

On May 26, 2017, 566 filed a discontinuance of its claim. Regardless, the parties are continuing to work towards an amicable resolution to the allegations and claims made by 566. At the same time, Freightera continues to recode the original system. When the recoding is complete, the risk of any claims of copyright infringement, regardless of merit, will be removed.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand

If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be harmed. In addition, defending our intellectual property rights might entail significant expense. Any of our trademarks or other intellectual property rights may be

challenged by others or invalidated through administrative process or litigation. While we have U.S. and Canadian patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain.

Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our service is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the U.S. and Canada, and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. We may be subject to litigation initiated by other parties challenging our intellectual property rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel and materially adversely affect our business and financial condition.

Disruptions in our service could diminish demand for our service and subject us to substantial liability

Because our service is complex and we have incorporated a variety of new computer hardware and software, both developed in-house and acquired from third party vendors, our service may have errors or defects that users identify after they begin using it that could result in unanticipated downtime for our users and harm our reputation and our business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. We have from time to time found defects in our service and new errors in our existing service may be detected in the future. In addition, our customers may use our service in unanticipated ways that may cause a disruption in service for other customers attempting to access their data. Since our customers use our service for important aspects of their business, any errors, defects, disruptions in service or other performance problems with our service could hurt our reputation and may damage our customers' businesses. If that occurs, customers could elect not to renew, or delay or withhold payment to us, we could lose future sales, which could result in an increase in our provision for doubtful accounts, an increase in collection cycles for accounts receivable or the expense and risk of litigation.

Interruptions or delays in service from our third-party data center hosting facilities could impair the delivery of our service and harm our business

We currently serve our customers from third-party data center hosting facilities. Any damage to, or failure of, our systems generally could result in interruptions in our service. As we continue to add data centers and add capacity in our existing data centers, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our service. Further, any damage to, or failure of, our systems generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our service is unreliable.

We do not control the operation of any of our hosting facilities, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities

could result in lengthy interruptions in our service. Even with the disaster recovery arrangements, our service could be interrupted. All of the foregoing could adversely affect our business and financial condition.

If our security measures are breached and unauthorized access is obtained to a customer’s data or our data, our service may be perceived as not being secure, customers may curtail or stop using our service and we may incur significant legal and financial exposure and liabilities

Our service involves the storage and transmission of customers’ proprietary information, and security breaches could expose us to a risk of loss of this information, litigation and possible liability. These security measures may be breached as a result of third-party action, employee error, malfeasance or otherwise, during transfer of data to additional data centers or at any time, and result in someone obtaining unauthorized access to our data or our customers’ data. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to our data or our customers’ data. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, our customers may authorize third party technology providers to access their customer data. Because we do not control the transmissions between our customers and third-party technology providers, or the processing of such data by third-party technology providers, we cannot ensure the complete integrity or security of such transmissions or processing. Any security breach could result in a loss of confidence in the security of our service, damage our reputation, lead to legal liability and negatively impact our future sales.

Insufficient funds

We may have insufficient funds from time to time to fulfill our short-term and/or long-term objectives. Furthermore, proceeds from the Offering may not be sufficient for us to fulfill or even partially realize our objectives.

8.3 Industry Risk

Competition

The Issuer operates in a highly competitive industry in which it faces a number of well established, existing and emerging direct and indirect competitors. Competitors may be further along in their development or more established than the Issuer and may have access to more resources than the Issuer.

If the Issuer is unable to compete it could have a material adverse effect on the Issuer’s business. The Issuer cannot be certain that it will successfully compete with its competitors that may have greater financial, sales and technical resources. As a result, the Issuer may need to increase its marketing, advertising and promotional spending to secure market share, which may adversely impact its revenues and ultimately its profitability.

The Issuer may not have the financial resources to increase such spending when necessary to compete.

See section **2.2 Competitors**, above for additional information.

Environmental and Industry Regulation

The Issuer's success may be affected by the ability of the Issuer to maintain its compliance with laws and regulations in respect of use of the internet as a platform for business-to-business or business-to-customer commercial transactions, or regulatory change affecting use by Clients and Users. Changes to any of these laws and regulations could have a significant impact on the Issuer's business. Also, changes to any laws and regulations related to Users, Clients, Carriers, and Shippers, including but not limited to environmental laws and laws related to transportation and shipping, may materially adversely affect the Issuer, its business and financial condition. There can be no assurance that the Issuer will be able to cost-effectively comply with all or any future laws and regulations.

Failure by the Issuer to comply with applicable laws and regulations may subject the Issuer to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Issuer's financial condition and results of operations.

Product or Service Obsolescence

If the Issuer is unsuccessful in meeting its objectives with respect to any of its service(s) and/or product(s), the Issuer's business will be harmed. There can be no assurance of the Issuer's ability to develop a product and/or service that is competitive with other similar applications or that it can then later develop a new version of the product or service that will meet changing Client and User preferences and receive widespread acceptance. Failure to develop and successfully market a 'User-friendly' product or service will have a material adverse impact on the Issuer's financial condition and results of operations.

ITEM 9: REPORTING OBLIGATIONS

9.1 Reporting

The Issuer is not a "reporting issuer" as such term is defined in applicable securities legislation and accordingly is not subject to most of the continuous disclosure reporting obligations imposed on reporting issuers by such securities legislation. **We are not required to send you any documents on an annual or ongoing basis.**

As a Shareholder you will receive audited or unaudited financial statements at each annual general meeting and the Issuer will deposit copies of the financial statements in its corporate records maintained at its records office which are available for inspection by any Shareholders during normal business hours, given reasonable notice. Further, you will be given notice of, be entitled to attend and vote your Shares at general meetings of the common shareholders the Issuer and at any other meeting that you are entitled to attend and/or vote your Common Shares (including Common Shares acquired as part of the Units).

9.2 Information Available from Securities Regulator

Prospective purchasers can find information about the Issuer on the British Columbia Securities Commission website (<http://www.bsc.bc.ca>), such as exempt distribution reports, offering memorandums, and other information that may be available there.

For securities sales made outside British Columbia, prospective purchasers may find information on the Issuer on SEDAR (<http://www.sedar.com/>). Alternately, a list of all Provincial securities regulatory authority websites and contact numbers can be found in *Item 15: Subscription Agreement* attached to this Offering Memorandum.

ITEM 10: RESALE RESTRICTIONS

10.1 General Statement

With respect to trades in all Provinces and Territories of Canada other than Manitoba, these 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.

Furthermore, pursuant to the Company's articles, for so long as the Company is not a public company, no Common Share may be sold, transferred or otherwise disposed of without the consent of the Company's director(s). Any sale, transfer or other disposition of the Shares is subject to the restrictions and other requirements in the Shareholders Agreement.

10.2 Restricted Period

With respect to trades in all Provinces and Territories of Canada other than Manitoba, unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

For subscribers in Manitoba or trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- a. the Issuer has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- b. you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11: PURCHASERS' RIGHTS

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

11.1 Two Day Cancellation Right

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

11.2 Statutory Rights of Action in the Event of a Misrepresentation

For Subscribers Resident in British Columbia

The Securities Act (British Columbia) (the "B.C. Act") provides purchasers resident in the Province of British Columbia (each a "B.C. Purchaser") 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 B.C. 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 Units and/or the Shares (as applicable), a B.C. Purchaser to whom this Offering Memorandum was delivered and who purchases the Units and/or the Shares (as applicable) offered hereunder shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has, subject as hereinafter provided, a right of action against the Issuer, every director of Issuer 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 Issuer, provided that if the B.C. Purchaser elects to exercise a right of rescission against the Issuer, the B.C. Purchaser has no right of action for damages against the Issuer, 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. Purchaser 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. Purchaser 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 Units and/or the Shares (as applicable) resulting from the misrepresentation; and**
- d. in no case will the amount recoverable in any action exceed the price at which the Units and/or the Shares (as applicable) were offered under the Offering Memorandum.**

For Subscribers Resident in Alberta

The Securities Act (Alberta) (the “Alberta Act”) provides purchasers resident in the Province of Alberta (each an “Alberta Purchaser”) 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 Act provides that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to an Alberta Purchaser and contains a misrepresentation, and it was a misrepresentation at the time of purchase of the Units and/or the Shares (as applicable), an Alberta Purchaser to whom this Offering Memorandum was delivered and who purchases the Units and/or the Shares (as applicable) offered hereunder (without regard to whether the purchaser relied upon such misrepresentation) has, subject as hereinafter provided, a right of action against the Issuer, every director of the Issuer 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 Issuer for rescission, provided that if the Alberta Purchaser elects to exercise a right of rescission against the Issuer, the Alberta Purchaser has no right of action for damages against the Issuer or other above named person, and provided that:

- a. 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 action, other than an action for rescission, within the earlier of, (a) 180 days from the date that the Alberta Purchaser 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.**
- b. no person will be liable if he, she or it proves that the Alberta Purchaser 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 Units and/or the Shares (as applicable) as a result of the misrepresentation; and
- d. in no case will the amount recoverable in any action exceed the price at which the Units and/or the Shares (as applicable) were sold to the Alberta Purchaser.

For Subscribers Resident in Saskatchewan

The Securities Act (Saskatchewan) (the “Saskatchewan Act”) provides purchasers resident in the Province of Saskatchewan (each a “Saskatchewan Purchaser”) 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 138 of the Saskatchewan Act provides that in the event that this Offering Memorandum together with any amendment hereto is delivered to a Saskatchewan Purchaser of the Units and/or the Shares (as applicable) contains a misrepresentation, if it was a misrepresentation at the time of purchase of the Units and/or the Shares (as applicable), the Saskatchewan Purchaser will be deemed to have relied upon that misrepresentation and has either a right of action for damages against (i) the Issuer, (ii) every promoter and director of the Issuer at the time the Offering Memorandum or amendment thereto was sent or delivered, (iii) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them, (iv) every person or company that, in addition to the persons or companies mentioned in (i) to (iii), signed the Offering Memorandum or the amendment to the Offering Memorandum; and (v) every person who or company that sells securities on behalf of the Issuer under the Offering Memorandum or amendment to the Offering Memorandum (which liability if found or admitted will be joint and several), or the Saskatchewan Purchaser may elect to exercise a right of rescission against the Issuer and when the Saskatchewan Purchaser so elects, the Saskatchewan Purchaser shall have no right of action for damages.

A Saskatchewan Purchaser will be entitled to enforce the foregoing rights, provided that:

- a. no person or company will be liable where the person or company proves that the Saskatchewan Purchaser purchased the Units and/or the Shares (as applicable) with knowledge of the misrepresentation;
- b. in an action for damages, the person or company is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the security from the misrepresentation relied on; and
- c. in no case shall the amount recoverable exceed the price at which the securities were offered to the public.

The Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser of a security that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the Saskatchewan Purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of the purchase and has a right of action for damages against that individual, provided that:

- a. no individual is liable if the individual proves that the Saskatchewan Purchaser purchased the securities with knowledge of the misrepresentation;
- b. no individual is liable if the individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation;
- c. no individual is liable if prior to the purchase of the securities by the Saskatchewan Purchaser, the individual notified the Saskatchewan Purchaser that the individual’s statement contained a misrepresentation;
- d. in no case is the amount recoverable to exceed the price at which the securities were offered

- to the public; and
- e. in an action for damages, the defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the security resulting from the misrepresentation relied on.

No action shall be commenced to enforce the above Saskatchewan Act rights more than:

- a. in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- b. in the case of any action, other than an action for rescission, the earlier of one year after the Saskatchewan Purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

For Subscribers Resident in Manitoba

The Securities Act (Manitoba) (the “Manitoba Act”) provides purchasers resident in the Province of Manitoba (each a “Manitoba Purchaser”) 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 141.1 of the Manitoba 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 Units and/or the Shares (as applicable), a Manitoba Purchaser to whom this Offering Memorandum was delivered and who purchases the Units and/or the Shares (as applicable) offered hereunder shall be deemed to have relied on the misrepresentation and has, subject as hereinafter provided, a right of action against the Issuer, every director of the Issuer 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, and a right of rescission against the Issuer, provided that if the Manitoba Purchaser elects to exercise a right of rescission against the Issuer the Manitoba Purchaser has no right of action for damages against the Issuer or any other person mentioned above, 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 Manitoba Purchaser first had knowledge of the facts giving rise to the cause of action, or (B) 2 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 Manitoba Purchaser 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 Units and/or the Shares resulting from the misrepresentation; and
- d. in no case will the amount recoverable in any action exceed the price at which the Units and/or the Shares (as applicable) were offered under the Offering Memorandum.

For Subscribers Resident in Ontario

The Securities Act (Ontario) (the “Ontario Act”) provides purchasers resident in the Province (each an “Ontario Purchaser”) 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 Act provides that if this Offering Memorandum contains a misrepresentation, an Ontario Purchaser who purchases the Units and/or the Shares (as applicable)

offered by this Offering Memorandum during the period of distribution has a right of action for damages against the Issuer or, alternatively, may elect to exercise a right of rescission against the Issuer, without regard to whether the Ontario Purchaser relied on the misrepresentation, provided that if the Ontario Purchaser exercises its right of rescission, it shall not have a right of action for damages against the Issuer, and provided that:

- a. 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 Purchaser 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;
- b. the Issuer will not be liable if it proves that the Ontario Purchaser purchased the Units and/or the Shares (as applicable) with knowledge of the misrepresentation;
- c. in an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Units and/or the Shares (as applicable) as a result of the misrepresentation relied upon; and
- d. in no case will the amount recoverable exceed the price at which the Units and/or the Shares (as applicable) were offered.

For Subscribers Resident in New Brunswick

The Securities Act (New Brunswick) (the “New Brunswick Act”) provides purchasers resident in the Province (each a “New Brunswick Purchaser”) 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 150 of the New Brunswick 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 Units and/or the Shares (as applicable), a New Brunswick Purchaser to whom this Offering Memorandum was delivered and who purchases the Units and/or the Shares (as applicable) offered hereunder shall be deemed to have relied on the misrepresentation and has, subject as hereinafter provided, a right of action against the Issuer, and a right of rescission against the Issuer, provided that if the New Brunswick elects to exercise a right of rescission against the Issuer, the New Brunswick Purchaser has no right of action for damages against the Issuer, and provided that:

- a. 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 for damages, the earlier of (A) one year after the New Brunswick Purchaser first had knowledge of the fact giving rise to the cause of action, or (B) six years after the date of the transaction that gave rise to the cause of action;
- b. the Issuer will not be liable if it proves that the New Brunswick Purchaser purchased the Units and/or the Shares (as applicable) with knowledge of the misrepresentation;
- c. in an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Units and/or the Shares (as applicable) as a result of the misrepresentation relied upon; and
- d. in no case will the amount recoverable exceed the price at which the Units and/or the Shares (as applicable) were offered.

Further, an Issuer shall not be liable where it is not receiving any proceeds from the distribution of the Units and/or the Shares (as applicable) being distributed and the misrepresentation was not based on information provided by the Issuer unless the misrepresentation

- a. was based on information that was previously publicly disclosed by the Issuer,
- b. was a misrepresentation at the time of its previous public disclosure, and

- c. **was not subsequently publicly corrected or superseded by the Issuer before the completion of the distribution of the Units and/or the Shares (as applicable) being distributed.**

Subscribers Resident in other Provinces

Subscribers resident in provinces other than those mentioned above may have statutory rights of action in the event of a misrepresentations and should refer to the applicable laws of their respective provinces and consult with their legal advisers with respect to such rights of action.

11.3 Contractual Rights of Action in the Event of a Misrepresentation

For Subscribers resident in a jurisdiction where the securities legislation does not provide a comparable statutory right of action in the event of a misrepresentation in this Offering Memorandum as indicated above, if there is a misrepresentation in this Offering Memorandum or any information or documents incorporated or deemed to be incorporated by reference into this Offering Memorandum, then, you have a contractual right to sue the Issuer:

- a. for rescission (to cancel your agreement to buy these securities), or
- b. for damages.

This contractual right to sue is available to a purchaser whether or not the purchaser relied on the misrepresentation. As part of this contractual right to sue, in an action for damages, the amount a purchaser may recover:

- (i) must not exceed the price that the purchaser paid for the purchaser's securities;
- (ii) does not include all or any part of the damages that the Issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation; and
- (iii) is in addition to, and does not detract from, any other right of the purchaser.

The Issuer has a defence if it proves that the purchaser knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in a. or b. above, you must do so within strict time limitations.

These rights are enforceable by a purchaser by delivering a notice to the Issuer:

- (i) in the case of an action for rescission, within 180 days after the purchaser signs the agreement to purchase the security, or
- (ii) in the case of an action for damages, before the earlier of

- (A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or
- (B) 3 years after the date the purchaser signs the agreement to purchase the security

ITEM 12: FINANCIAL STATEMENTS

The following section includes:

1. FY 2016 Audited Financial Statements (January 1 to December 31) with Notes. Audited by Collins Barrow Chartered Accountants.
2. FY 2017 Interim Financial Statements (January 1 to September 30) with Notes, compiled by management, Unaudited.

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FREIGHTERA LOGISTICS INC.
FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Freightera Logistics Inc.

We have audited the accompanying financial statements of Freightera Logistics Inc. which comprise the statement of financial position as at December 31, 2016 and December 31, 2015 and the statements of comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Independent Auditor's Report
To the Shareholders of Freightera Logistics Inc.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Freightera Logistics Inc. as at December 31, 2016 and December 31, 2015, and financial performance, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Collins Barrow Vancouver
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 31, 2017

FREIGHTERA LOGISTICS INC.
(Incorporated under the laws of British Columbia)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

In Canadian Dollars)

	<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current assets			
Cash		\$ 200,910	\$ 25,767
Accounts receivable, net of allowance for doubtful accounts (2016 - \$24,465; 2015 - Nil)		171,288	134,392
Due from CosmoCulture Media Inc. (note 5)		<u>760</u>	<u>4,029</u>
		372,958	164,188
Non-current assets			
Property and equipment (note 6)		<u>8,837</u>	<u>1,395</u>
		<u>\$ 381,795</u>	<u>\$ 165,583</u>
	<u>LIABILITIES</u>		
Current liabilities			
Accounts payable and accrued liabilities		<u>\$ 202,182</u>	<u>\$ 114,766</u>
	<u>SHAREHOLDERS' EQUITY</u>		
Share capital (note 7)		2,042,754	751,902
Contributed surplus (note 7)		126,416	95,617
Deficit		<u>(1,989,557)</u>	<u>(796,702)</u>
		179,613	50,817
Contingent liabilities (note 10(b))		<u> </u>	<u> </u>
		<u>\$ 381,795</u>	<u>\$ 165,583</u>

Approved by the Director,



Director

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENTS OF COMPREHENSIVE LOSS AND DEFICIT
FOR THE YEARS ENDED DECEMBER 31,
(In Canadian Dollars)

	<u>2016</u>	<u>2015</u>
Sales	\$ 1,645,366	\$ 423,637
Cost of sales	<u>1,443,556</u>	<u>381,349</u>
	<u>201,810</u>	<u>42,288</u>
Expenses		
Advertising and promotion	223,680	42,357
Amortization	4,018	1,248
Bad debts	58,506	---
Computer software and supplies	67,392	35,545
Insurance	16,510	6,832
Interest and bank charges	25,921	3,502
Investor relations	125,541	---
Membership fees and dues	3,466	11,705
Office expense (recovery)	37,214	11,323
Professional fees	72,466	127,699
Rent	16,458	15,879
Salaries and wages	330,360	33,212
Subcontractors	402,498	340,410
Telephone and utilities	15,062	6,284
Travel	<u>2,438</u>	<u>4,650</u>
	<u>1,401,530</u>	<u>640,646</u>
Loss before undernoted items	<u>(1,199,720)</u>	<u>(598,358)</u>
Other income		
Foreign exchange loss	(10,327)	---
Other income	<u>17,192</u>	<u>---</u>
	<u>6,865</u>	<u>---</u>
Net loss and comprehensive loss for the year	(1,192,855)	(598,358)
Deficit, beginning of the year	<u>(796,702)</u>	<u>(198,344)</u>
Deficit, end of the year	<u>\$ (1,989,557)</u>	<u>\$ (796,702)</u>

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

	<u>Share Capital</u>		<u>Contributed Surplus (note 7)</u>	<u>Deficit</u>	<u>Total Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Shares issued during the period ended December 31, 2014	20,517,005	\$ 200,462	\$ ---	\$ ---	200,462
Net loss for the period	---	---	---	(198,344)	(198,344)
Balance at December 31, 2014 (Unaudited)	20,517,005	200,462	---	(198,344)	2,118
Share subscription deposits received for shares not yet issued	---	---	71,465	---	71,465
Shares issued	1,829,714	551,440	---	---	551,440
Warrants issued (note 7)	---	---	24,152	---	24,152
Net loss for the year	---	---	---	(598,358)	(598,358)
Balance at December 31, 2015	<u>22,346,719</u>	<u>\$ 751,902</u>	<u>\$ 95,617</u>	<u>\$ (796,702)</u>	<u>\$ 50,817</u>
Balance at December 31, 2015 (Audited)	22,346,719	\$ 751,902	\$ 95,617	\$ (796,702)	50,817
Share subscription deposits received for shares not yet issued	---	---	102,264	---	102,264
Shares issued and exercised, net	4,435,772	1,441,613	(71,465)	---	1,370,148
Issuance cost	---	(150,761)	---	---	(150,761)
Net loss for the year	---	---	---	(1,192,855)	(1,192,855)
Balance at December 31, 2016	<u>26,782,491</u>	<u>\$ 2,042,754</u>	<u>\$ 126,416</u>	<u>\$ (1,989,557)</u>	<u>\$ 179,613</u>

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(In Canadian Dollars)

	<u>2016</u>	<u>2015</u>
Cash used in operating activities		
Net loss for the year	\$ (1,192,855)	\$ (598,358)
Items not requiring cash:		
Amortization	4,018	1,248
Consulting services settled with warrants	<u>---</u>	<u>24,152</u>
	(1,188,837)	(572,958)
Changes in non-cash working capital balances		
Accounts receivable	(36,896)	(99,791)
Accounts payable	<u>87,416</u>	<u>99,365</u>
	<u>(1,138,317)</u>	<u>(573,384)</u>
Cash used in investing activities		
Purchase of property and equipment	(11,460)	(749)
Due from CosmoCulture Media Inc.	<u>3,269</u>	<u>(4,029)</u>
	<u>(8,191)</u>	<u>(4,778)</u>
Cash from financing activities		
Due to CosmoCulture Media Inc.	---	(29,742)
Issuance of share capital	<u>1,321,651</u>	<u>622,905</u>
	<u>1,321,651</u>	<u>593,163</u>
Increase in cash during the year	175,143	15,001
Cash, beginning of the year	<u>25,767</u>	<u>10,766</u>
Cash, end of the year	<u>\$ 200,910</u>	<u>\$ 25,767</u>

See accompanying notes to the interim financial statements.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

1. Nature of business

Freightera Logistics Inc. (the "Company") was incorporated under the laws of British Columbia on May 1, 2014 and operates from its main place of business at 200 – 375 Water Street, Vancouver, British Columbia.

The company runs an online freight marketplace by providing real-time fixed cost freight quotes, online bookings and document generation and storage. All of the company's revenue is derived from transaction fees earned from successful bookings by customers.

The company is dependant on its ability to raise funds and there is no assurance that the company will be able to raise the amount of funds required to finance its activities.

2. Statement of compliance

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies in these financial statements are based on IFRS issued and outstanding as of March 31, 2017.

3. Basis of accounting

a) Basis of measurement and functional currency

The financial statements are presented in Canadian dollars, which is the company's functional currency. The financial statements have been prepared on the historical cost basis except for certain assets, liabilities and financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

b) Use of estimates and judgements

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

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

3. Basis of accounting - continued

b) Use of estimates and judgements - continued

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

The estimates and judgements that are critical to the determination of the amounts reported in the financial statements relate to the following:

i) Financial instruments

The company estimates and discloses the fair value of financial instruments. When fair value cannot be derived from an active market, it is determined using valuation techniques, namely the discounted cash flow method.

ii) Valuation of non-financial assets

The valuation of non-financial assets such as property and equipment requires estimates relating to the future cash flows and the useful lives of the assets.

4. Significant accounting policies

The following is a summary of the significant accounting policies applied in the preparation of these financial statements. These policies have been consistently applied by the company in the current year:

a) Financial instruments

At initial recognition, financial instruments are classified in the following categories depending on the purpose for which the instruments were acquired.

Fair value through profit and loss

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term or if designated to be in this category at inception. Financial instruments in this category are measured at fair value upon initial recognition, with changes in fair value recognized in the statement of comprehensive income. Cash is classified as "fair value through profit and loss".

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at fair value upon initial recognition plus transaction costs.

Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment, if necessary. Accounts receivable and amounts due from CosmoCulture Media Inc. are classified as "loans and receivables".

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

4. Significant accounting policies - continued

a) Financial instruments - continued

Other liabilities

Other liabilities are measured at fair value upon initial recognition, net of any transaction costs incurred. Subsequently, other liabilities are measured at amortized cost using the effective interest method. Other liabilities include accounts payable and accrued liabilities and amounts due to CosmoCulture Media Inc.

Share capital

The common shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity, net of any tax effects.

b) Property and equipment

Property and equipment are stated at cost less any accumulated depreciation and impairment losses. Cost includes the acquisition cost as well as any costs directly attributable to bringing the asset to the location and condition necessary for its use in operations.

Depreciation is recognized in profit or loss using the declining balance method at the following annual rates:

Computer equipment	- 55%
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Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Impairment

The carrying amount of the company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. An impairment loss in respect of intangible assets is not reversed. In respect to other assets, an impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized in previous years.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

4. Significant accounting policies - continued

d) Revenue

The company recognizes revenue at the time persuasive evidence exists that a customer's shipment has been picked up by a carrier.

e) Income tax

Income tax expense comprises current and deferred tax and is recognized in profit or loss. Current tax is the tax payable or receivable on the taxable income or loss for the year, 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 amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates enacted or substantially enacted. A deferred tax asset is recognized for unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At each reporting date, monetary assets denominated in a foreign currency are translated in the functional currency at the closing date exchange rate. All foreign currency adjustments are expensed.

g) Future accounting pronouncements

IFRS 9 – Financial Instruments was issued in final form in July 2014 by the IASB and will replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual years beginning on or after January 1, 2018. A detailed review will be completed in order to determine if this standard will have a significant impact to the company's financial statements.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

4. Significant accounting policies - continued

g) Future accounting pronouncements - continued

IAS 1 – Presentation of Financial Statements was amended in December 2014 to clarify the existing presentation and disclosure requirements, including the presentation of line items, subtotals and notes and provide guidance to assist the entity in applying judgment in determining what information to disclose, and how that information is presented in its financial statements. The amendment is effective for annual periods beginning on or after January 1, 2016. A detailed review will be completed in order to determine if this standard will have a significant impact to the Company's financial statements.

IFRS 15 - Revenue from Contracts with Customers. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The new standard is effective for annual years beginning on or after January 1, 2017. IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, International Financial Reporting Interpretation Committee ("IFRIC") 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue - Barter Transactions Involving Advertising Services. A detailed review will be completed in order to determine if this standard will have a significant impact to the company's financial statements.

5. Due from/to CosmoCulture Media Inc.

The amounts due from/to CosmoCulture Media Inc., a company owned by a director of the company, do not bear interest and have no fixed terms of repayment.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(In Canadian Dollars)

6. Property and equipment

Cost

Acquisitions during the year ended and balance at December 31, 2015	\$ 3,362
Acquisitions	<u>11,460</u>

Balance at December 31, 2016	<u>\$ 14,822</u>
------------------------------	------------------

Accumulated depreciation

Depreciation for 2015	\$ 1,967
Depreciation for 2016	<u>4,018</u>

Balance at December 31, 2016	<u>\$ 5,985</u>
------------------------------	-----------------

Carrying amounts

At December 31, 2015	<u>\$ 1,395</u>
At December 31, 2016	<u>\$ 8,837</u>

7. Share capital and contributed surplus

The authorized share capital at December 31, 2016 consists of 40,000,000 common shares without par value and 8,000,000 preferred shares without par value

	<u>2016</u>	<u>2015</u>
Issued and outstanding		
26,782,491 (2015 – 22,346,719) common shares	<u>\$ 2,042,754</u>	<u>\$ 751,902</u>

The contributed surplus arose as a result of recording the shares subscription deposits received for shares not yet issued. Upon the issuance of shares for which share subscription deposits were received at year-end but shares were not yet issued, the amount reflected in contributed surplus is credited to share capital.

During the year ended December 31, 2016, the company received \$102,264 from investors for share subscriptions. On January 31, 2017, the company issued 291,474 common shares to satisfy these share subscriptions at which time, the amount reflected in contributed surplus was credited to share capital.

During the year ended December 31, 2016, the company issued 4,232,166 common shares for cash of \$1,390,148.

During the year ended December 31, 2015, the company received \$71,465 from investors for share subscription. On January 29, 2016, the company issued 203,606 common shares to satisfy these share subscriptions.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

7. Share capital and contributed surplus - continued

During the year ended December 31, 2016, in conjunction with the issuance of shares for cash, 605,639 (2015 – 1,389,118) warrants for 605,639 (2015 - 1,389,118) common shares were issued at weighted-average exercise price of \$0.53. During the year ended December 31, 2016, 172,223 of these warrants were exercised for 172,223 common shares for proceeds of \$60,278.

The company, in exchange for consulting services valued at \$24,152, issued 84,851 warrants for 84,851 common shares which were issued at an exercise price of \$0.01.

Subsequent to December 31, 2016, the company issued an additional 741,316 common shares for proceeds of \$258,292.

8. Capital management

The company's objectives when managing its capital are to:

- a) maintain financial flexibility in order to preserve its ability to meet financial obligations;
- b) maintain a capital structure that provides financing options to the company when the need arises to access capital;
- c) deploy capital to provide an adequate return to its shareholders; and
- d) ensure it has sufficient cash to pay declared dividends to shareholders.

The company manages its capital structure and makes adjustments to it in accordance with the objectives stated above. The company also responds to changes in economic conditions and the risk characteristics of the underlying assets and its working capital requirements. The company is dependant on its ability to issue shares and raise funds in order to finance its activities.

9. Financial risk management

The company, through its financial assets and liabilities, is exposed to various risks. The following provides an analysis of risks as at December 31, 2016.

a) Credit risk

Credit risk is the risk of loss resulting from the failure of a customer or counterparty to meet its contractual obligations to the company. The carrying amount of financial assets represents the company's estimate of maximum credit exposure. The company's credit risk is primarily attributable to its cash, accounts receivable, and due from CosmoCulture Media Inc. The company places its cash with institutions of high creditworthiness. Based on experience, management believes its accounts receivable and due from CosmoCulture Media Inc. credit risk exposure is limited.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

(In Canadian Dollars)

9. Financial risk management - continued

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company is dependant on its ability to raise funds in order to finance its activities.

c) Currency risk

The company is subject to currency risk through its cash held in foreign currencies. Unfavourable changes in the exchange rates may affect carrying amounts of the cash and receivables.

10. Other information

a) Related party transactions

In addition to transactions described elsewhere in the financial statements, the company had the following balances and transactions with shareholders, officers and directors of the company and parties related thereto:

	<u>2016</u>	<u>2015</u>
Subcontractors	\$ 82,486	\$ 178,135

In addition, accounts payable includes \$50,050 for services rendered to the company by subcontractors. In exchange for these services, these subcontractors will be issued common shares of the company.

All transactions with related parties are in the normal course of operations and are measured at fair value.

b) Contingencies

During the year, the company received a letter from a third party alleging that the company was infringing on copyrights of certain intellectual property and other assets belonging to the third party. The company denies the allegations, however, has entered into discussions with the third party to reach a settlement. The amount of any possible claim is not determinable at this time however, the company's management does not anticipate any claim or settlement having a material adverse effect on the company's ongoing basis on operations.

c) Income taxes

The company has approximately \$1,797,000 in losses carried forward for which no tax benefit has been recognized. These losses begin to expire in 2034.

FREIGHTERA LOGISTICS INC.
INTERIM FINANCIAL STATEMENTS
COMPILED BY MANAGEMENT
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
SEPTEMBER 30, 2017

FREIGHTERA LOGISTICS INC.
(Incorporated under the laws of British Columbia)

STATEMENT OF FINANCIAL POSITION

September 30, 2017

In Canadian Dollars)

	<u>From</u> <u>Jan 1, 2017</u> <u>to</u> <u>Sep 30, 2017</u> <u>(Unaudited)</u>	<u>From</u> <u>Jan 1, 2016</u> <u>to</u> <u>Dec 31, 2016</u> <u>(Audited)</u>
<u>ASSETS</u>		
Current assets		
Cash	\$ 469,711	\$ 200,910
Accounts receivable	173,040	171,288
Due from Related Party (note 4)	<u>0</u>	<u>760</u>
	642,751	372,958
Non-current assets		
Property and equipment	<u>11,344</u>	<u>8,837</u>
	<u>\$ 654,095</u>	<u>\$ 381,795</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 390,026	\$ 202,182
	<u>390,026</u>	<u>202,182</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital	3,522,269	2,042,754
Contributed surplus	72,864	126,416
Deficit	<u>(3,331,064)</u>	<u>(1,989,557)</u>
	<u>264,069</u>	<u>179,613</u>
	<u>\$ 654,095</u>	<u>\$ 381,795</u>

Approved by the Director,



_____, Director

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENT OF COMPREHENSIVE LOSS AND DEFICIT
(In Canadian Dollars)

	<u>From</u> <u>Jan 1, 2017</u> <u>to</u> <u>Sep 30, 2017</u> <u>(Unaudited)</u>	<u>From</u> <u>Jan 1, 2016</u> <u>to</u> <u>Sep 30, 2016</u> <u>(Audited)</u>
Sales	\$ 1,481,808	\$ 820,360
Cost of sales	<u>1,245,834</u>	<u>676,788</u>
	<u>235,974</u>	<u>143,572</u>
Expenses		
Advertising and promotion	211,482	159,594
Amortization	5,480	1,524
Bad Debt & Claims	43,397	25,073
Computer	162,226	45,503
Insurance	1,257	7,934
Interest and bank charges	46,221	18,433
Membership fees and dues	4,597	4,174
Office expense	8,468	4,306
Professional fees	310,416	243,550
Rent	471	13,732
Salaries and wages	412,821	173,221
Subcontractors	342,849	285,518
Telephone	15,717	10,858
Travel	<u>12,079</u>	<u>8,265</u>
	<u>1,577,481</u>	<u>1,001,685</u>
Net loss and comprehensive loss for the year-to-date	(1,341,507)	(858,113)
Deficit, beginning of the year	<u>(1,989,557)</u>	<u>(796,702)</u>
Deficit, end of the year-to-date	<u>\$ (3,331,064)</u>	<u>\$ (1,654,815)</u>

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED September 30, 2017
(In Canadian Dollars)

	<u>Number of Shares</u>	<u>Amount</u>	<u>Contributed Surplus (note 5)</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Equity (Deficiency)</u>
Balance at Sep 30, 2016	26,760,006	\$ 2,030,161	24,151	(1,591,119)	463,193
Shares issued for the 12 month period to Sep 30, 2017	2,529,615	1,492,108			1,492,108
Shares to be Issued			48,713		48,713
Net income (loss) for the 12 month period to Sep 30, 2017				(1,739,945)	(1,739,945)
Balance at Sep 30, 2017	29,289,621	3,522,269	72,864	(3,331,064)	264,069

See accompanying notes to the financial statements.

FREIGHTERA LOGISTICS INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED September 30, 2017
(In Canadian Dollars)

	<u>From</u> <u>Jan 1, 2017</u> <u>to</u> <u>Sep 30, 2017</u> <u>(Unaudited)</u>	<u>From</u> <u>Jan 1, 2016</u> <u>to</u> <u>Sep 30, 2016</u> <u>(Audited)</u>
Cash used in operating activities		
Net loss for the year	(1,341,507)	(858,113)
Items not requiring cash:		
Amortization	<u>5,480</u>	<u>1,524</u>
	\$ (1,336,027)	\$ (856,589)
Changes in non-cash working capital balances		
Accounts receivable	128,974	(124,577)
Accounts payable	<u>344,444</u>	<u>62,598</u>
	\$ (862,609)	\$ (918,568)
Cash used in investing activities		
Purchase of property and equipment	7,096	6,608
Due from CosmoCulture Media Inc. (note 4)	<u>760</u>	<u>3,268</u>
	\$ 7,856	\$ 9,876
Cash from financing activities		
Issuance of share capital	<u>1,239,965</u>	<u>1,591,507</u>
Increase in cash during the period	(3,534)	468,319
Cash, beginning of the period	<u>473,235</u>	<u>4,916</u>
Cash, end of the period	<u>\$ 469,711</u>	<u>\$ 473,235</u>

See accompanying notes to the interim financial statements.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

(In Canadian Dollars)

1. Nature of business

Freightera Logistics Inc. (the "Company") was incorporated under the laws of British Columbia on May 1, 2014 and operates from its main place of business at 200 – 375 Water Street, Vancouver, British Columbia.

The company operates an online freight marketplace by providing real-time fixed cost freight quotes, online bookings and document generation and storage. The company is contractually bound to settle any payments due on its sales transactions. As a result, the company earns its gross revenues directly from shippers and its cost of sales mainly consists of payments to carriers. The company charges a variable markup of the quoted carrier costs based on the timing and details of transactions and information available in the marketplace. All of the company's revenue is derived from transaction fees earned from successful bookings by customers.

The company is dependent on its ability to raise funds and there is no assurance that the company will be able to raise the amount of funds required to finance its activities.

2. Financial Statements

These financial statements represent the results of the company's operations for the first nine months of the 2017 fiscal year and have been prepared by management based on International Financial Reporting Standards guidelines.

The Statement of Financial Position includes comparative results for the preceding year end; the remaining financial statements for the period ended September 30, 2017 include comparatives to the period ending September 30, 2016. In all cases, the results for the fiscal year 2016 were audited by the firm of Collins Barrow Chartered Accountants and were approved and authorized for issue by the board of directors on February 20th, 2017.

3. Accounting Policies

a) Share capital

The common shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are included as professional fees expense in the interim statements and may be reclassified as a deduction from equity, net of any tax effects.

b) Property and equipment

Property and equipment are stated at cost less any accumulated depreciation and impairment losses.

Acquisitions (unaudited) during 2017 to September 30, 2017 totalled \$8,228

Depreciation for the 12 months to September 30, 2017 was \$7,691

Carrying Amounts at \$11,344

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

(In Canadian Dollars)

c) Revenue

The company recognizes revenue at the time persuasive evidence exists that a customer's shipment has been picked up by a carrier.

d) Foreign currency translation

While the company conducts a portion of its business in certain foreign (U.S.) currency, these financial statements are presented in Canadian dollars, which is its functional currency. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate.

4. Due from/to Related Parties

The amounts due from/to CosmoCulture Media Inc., a company owned by a director of the company, do not bear interest and have no fixed terms of repayment. All transactions with this and other related parties are measured at fair value.

5. Share capital and contributed surplus

The authorized share capital at September 30, 2017 consists of 40,000,000 common shares without par value and 8,000,000 preferred shares without par value.

Issued and outstanding as at September 30, 2017:

29,289,621 Common Shares for a total share capital of \$ 3,522,269.

The contributed surplus reflects the recording of contractor services valued at \$48,713 rendered to the company prior to September 30, 2017 for which the company is exchanging common shares measured at fair value and which have yet to be issued. Additionally, in exchange for consulting services valued at \$24,151 the company issued warrants for 84,251 common shares at an exercise price of \$0.01.

Subsequent to September 30, 2017 the company has issued an additional 203,658 common shares for proceeds of \$189,827. In addition, subsequent to September 30, 2017, an additional 31,533 common shares were granted as performance bonuses to employees.

6. Financial Risk Management

The company may be exposed to various risks as interpreted in these financial statements.

a) Credit Risk

The company's credit risk is primarily attributable to its accounts receivable, that is, the failure of its customers to pay their bills and the consequence of significant increases in sales. The company collects a significant percentage of its billings as prepaid. In 2017, to September 30, 2017, this averaged 48% of all invoicing.

FREIGHTERA LOGISTICS INC.
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

(In Canadian Dollars)

Within the reporting period, the company engaged two full-time accounting personnel responsible for collections and account reconciliation.

At and subsequent to September 30, 2017, the receivables aging for customers on account (net credit sales) is:

	<u>September 30, 2017</u>
Current	\$ 99,139
1-30 Days	\$ 38,410
31-60 days	\$ 23,372
Over 60 days	\$ 48,891
Total	\$ 209,812

Of the Over 60-day total, \$24,403 may be considered to be at risk of default and eligible for collection by a legal firm or other party engaged for this purpose.

b) Liquidity Risk

The company is dependent on its ability to raise new capital to finance its activities. The company could encounter difficulty in meeting obligations requiring settlement in cash or other financial assets. There is a risk that it may be unable to comply with the terms of its vendors. At and subsequent to September 30, 2017, the payables aging for vendors on account (net credit purchases) is:

	<u>September 30, 2017</u>
Current	\$ 146,759
1-30 Days	\$ 140,024
31-60 days	\$ 44,448
Over 60 days	\$ 22,749
Total	\$ 353,980

c) Currency Exchange

The company has both income and expenses in foreign currency (US dollars), however any imbalance may be unfavourable due to fluctuating exchange rates.

7. Development of Business

Over the previous twelve months, the company's revenue and expenses were proportionate to the level of increase in business transactions with some exceptions, notably:

- ° The conversion of some contractors to employee status and hiring new personnel as salaried employees in a direct labour cost increase of \$239,600 over the comparative period.
- ° A reduction in premises rent of approximately \$1400 per month as employees chose to telecommute.

FREIGHTERA LOGISTICS INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

(In Canadian Dollars)

- ° Computer-related charges included expanded server management and approximately \$81,240 for the development of the company's second generation customer website.

8. Contingent Liability

In October 2016, the company engaged the firm of (now) Norton Rose Fulbright to respond to a demand letter from a third party alleging that it has infringed on certain assets, including intellectual property rights, owned by the third party. The company is in receipt of a legal opinion that there is a low risk of liability and no value of the claim has been professionally assessed.

On March 31, 2017, a related Statement of Claim was filed in federal court by the third party, 2460566 Ontario Inc. pertaining to the alleged infringement. The claim was never served on the Issuer nor the company's CEO, Eric Beckwitt. Following an exchange of correspondence between the parties, the third party withdrew the Statement of Claim by filing a Notice of Discontinuance on May 26, 2017. The parties continue to correspond.

9. Comparative figures

The comparative figures have been reclassified, where applicable, to conform to the presentation used in the prior years' audited statements.

ITEM 13: DATE AND CERTIFICATE

Dated: December 28th, 2017

This offering memorandum does not contain a misrepresentation.

On Behalf of the Company's Management:

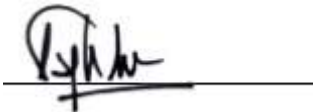
Signed:

A handwritten signature in black ink, appearing to read 'Eric Beckwitt', written over a horizontal line.

Eric Beckwitt, Chief Executive Officer

On Behalf of the Company's Board of Directors:

Signed:

A handwritten signature in black ink, appearing to read 'Asghar Abbas Khan', written over a horizontal line.

Asghar Abbas Khan, Director

ITEM 14: APPENDIX 1 - SHAREHOLDERS' AGREEMENT

Includes Schedule A "Form of Accession Agreement"

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SHAREHOLDERS' AGREEMENT

- AMONG -

FREIGHTERA LOGISTICS INC.

- AND –

[NAMES OF SHAREHOLDER]

NOTICE TO SHAREHOLDERS: This Agreement including any schedules and amendments to the foregoing will affect your rights and obligations as shareholders should you become a party to this Agreement. Please review this Agreement with your independent legal advisor prior to entering into this Agreement.

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SHAREHOLDERS' AGREEMENT

THIS AGREEMENT is dated for reference as of the 19th day of November, 2015.

AMONG:

FREIGHTERA LOGISTICS INC., a corporation incorporated under the laws of the Province of British Columbia having an address at Office 8036, 200-375 Water Street, Vancouver, BC V6B 0M9

(the "**Corporation**")

AND:

The shareholders of the Corporation listed under Schedule "A" hereto and who are signatories to this Agreement

(each a "**Shareholder**")

AND:

the **Investors**, as defined below.

WHEREAS:

A. The Investors will be subscribing to common shares of the Corporation and wish to ascend to and be a party to this Agreement, with such agreement to take effect as to their shareholdings once they become shareholders ; and

B. The parties wish to establish certain rights and obligations in respect of the conduct of the affairs of the Corporation, the holding and sale of their respective securities, and certain other matters relating to the Corporation.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree as follows:

1. INTERPRETATION

1.1 Interpretation

In this Agreement, unless otherwise provided:

"**Affiliate**" means:

- a. with respect to any entity, any Person that is directly or indirectly Controlled by such entity;
- b. with respect to an entity that is a corporation, any Person that is directly or indirectly Controlled by such entity or that Controls is or is under common Control with such corporate entity; and
- c. if a partnership or limited partnership, any partner of the partnership or any corporation which Controls that partner and any corporation which is directly or indirectly Controlled by a corporation that Controls that partner;

“Agreement” means this Shareholders’ Agreement, together with any amendments hereto or replacements hereof;

“Articles of Incorporation” means the Corporation’s articles in effect from time to time;

“Associate” means, if used to indicate a relationship with any Person:

- a. a partner, other than a limited partner, of that Person;
- b. a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity; or
- c. an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer;

“Board” means the board of Directors of the Corporation, as constituted from time to time;

“Business Corporations Act” means the *Business Corporations Act*, (British Columbia) as amended from time to time, and every statute that may be substituted therefor from time to time, and in the case of any such amendment or substitution, any reference in this Agreement to the *Business Corporations Act* will be read as referring to the such amended or substituted provisions;

“Business Day” means any day, other than a Saturday or Sunday, on which the chartered banks in Vancouver, British Columbia are open for business;

“Common Shares” means the Common shares in the capital of the Corporation;

“Corporation” means FREIGHTERA LOGISTICS INC. and includes any successor resulting from any amalgamation, merger, arrangement or other reorganization of or including the Corporation or any continuance under the laws of another jurisdiction;

“Constating Documents” means the Articles of Incorporation and Notice of Articles of the Corporation, together with any amendments thereto or replacements thereof;

“Control”, “Controlled” or “Controls” means, in relation to a corporation:

- a. the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or
- b. the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

“Directors” means the persons who are, from time to time, elected or appointed directors of the Corporation and **“Director”** means any one of them;

“Equity Securities” means:

- a. Shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;
- b. any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or
- c. any securities issued by the Corporation which are convertible or exchangeable into such securities;

“Founders” means Eric Beckwitt, and Yevgeniya A. Ponarina (and/or their respective successors or permitted assigns) and **“Founder”** means any one of them, provided that if any of them ceases to be a

party to this Agreement without a successor or assignee, then “**Founders**” or “**Founder**” means the remaining parties or party alone;

“**Fully Converted Basis**” at any time means that all Shares convertible into Common Shares outstanding at that time will be deemed to have been fully converted, into Common Shares and Common Shares issuable as a result thereof will be deemed to have been issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

“**Going Public Transaction**” has the meaning ascribed thereto under Section 5.2;

“**Investors**” means any party who has executed an accession to this Agreement substantially in the form attached as Schedule A that specifies that they should be considered an Investor (or their respective successors or permitted assigns) and “**Investor**” means any one of them, provided that if any of them ceases to be a party to this Agreement without a successor or assignee, then “**Investors**” or “**Investor**” means the remaining parties or party alone;

“**IPO**” means the Corporation’s first underwritten public offering of its Shares pursuant to a registration statement that has been declared effective under the United States *Securities Act* of 1933 or a prospectus filed under applicable Canadian securities laws in respect of which a (final) receipt has been obtained, accompanied by the listing of the Shares on the Toronto Stock Exchange and/or the Nasdaq National Market and/or the New York Stock Exchange and/or any other stock exchange or market approved in writing by the Board;

“**Liquidation Event**” means 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;

“**Original Purchase Price**” means, with respect to each Common Share, the purchase price paid to the Corporation for the Common Share;

“**Person**” means any individual, partnership, joint venture, syndicate, sole proprietorship, Corporation or corporation with or without share capital, trust, trustee, executor, administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

“**Public Company**” means a corporation or other entity that is a reporting issuer in Canada (or has an equivalent status in any other jurisdiction) or that has any of its securities listed on any stock exchange or quotation system.

“**Purchase**” includes any purchase, acquisition or other arrangement by which a Person obtains beneficial ownership of a security from another Person, whether or not voluntarily and whether or not for value, and any agreement to effect any of the foregoing; and the words “purchased”, “purchasing” and similar words have corresponding meanings;

“**Sale**” means:

- a. the acquisition of more than fifty percent (50%) of the voting securities of the Corporation by means of any transaction or series of related transactions (including without limitation, any and all reorganizations, mergers, consolidations, statutory share exchanges or similar transactions), or
- b. a sale of all or substantially all of the assets of the Corporation by means of any transaction or series of related transactions.

“**Shareholders**” means the Persons who hold securities of the Corporation who have executed this Agreement or who from time to time hold securities of the Corporation and have agreed to become bound by this Agreement in whole or in part (or their respective successors or permitted assigns), and a “Shareholder” means any one of them;

“**Shares**” means shares of any class in the share capital of the Corporation from time to time;

“**Subsidiary**” means a subsidiary within the meaning of the *Business Corporations Act* and “**Subsidiaries**” means more than one such subsidiary;

“**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, or other 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 voluntarily and whether or not for value, and any agreement to effect any of the foregoing; and the words “Transferred”, “Transferring” and similar words have corresponding meanings;

Words (including defined terms) using or importing the singular include the plural and vice versa and words importing one gender only will include all genders.

The headings used in this Agreement are for ease of reference only and will not affect the meaning or the interpretation of this Agreement.

All references to Article, Section and subsection numbers refer, unless expressly stated otherwise, to the Articles, Sections and subsections of this Agreement having those numbers.

All accounting terms not defined in this Agreement will have the meanings generally ascribed to them under the International Financial Reporting Standards (as revised from time to time).

Unless otherwise specified, all references to the symbol “\$” are to lawful money of Canada.

1.2 Schedules

The schedules attached to this Agreement form part of this Agreement.

2. SCOPE, EFFECT AND PARTIES

2.1 Shareholders to Act in Support of Terms

Except when prohibited by applicable laws, the Shareholders will at all times promptly:

- a. vote their respective Shares (or, if more convenient, execute written shareholder consent resolutions, provided they are executed by all shareholders of the Corporation); and
- b. take all such steps as may be reasonably within their powers,

to cause the Corporation to act in the manner contemplated by this Agreement and to fully implement the terms of this Agreement and, to the extent permitted by law, will cause their respective Director nominees to so act as well.

2.2 Conflicts with Constatng Documents and Other Agreements

- a. In the event of any conflict between the provisions of this Agreement and the Constatng Documents, the provisions in the Constatng Documents shall prevail, and the Shareholders will

promptly initiate all necessary actions, proceedings and/or vote their respective Shares, as applicable, to cause this Agreement to not be in conflict with the Constatng Documents.

- b. In the event of any conflict between the provisions of this Agreement and any agreement to which the Corporation or a Shareholder is or becomes a party, the provisions of this Agreement will prevail and govern to the extent permitted by law, except that should there also be a conflict with the Constatng Documents, then the Constatng Documents shall prevail. In case of a conflict only between this Agreement and any agreement to which the Corporation or a Shareholder is or becomes a party of, then the Shareholders will promptly initiate all necessary actions, proceedings and/or vote their respective Shares to cause such other agreement to be amended in order to resolve such conflict. In case of a conflict with the Constatng Documents, the Shareholders will promptly initiate all necessary actions, proceedings and/or vote their respective Shares, as applicable, to cause this Agreement or such agreements to be amended in order to resolve any conflict with the Constatng Documents in favour of the provisions of the Constatng Documents.

2.3 Ceasing to be a Party

Except as otherwise specifically provided herein, if a Person who was a Shareholder no longer holds any Equity Securities and is owed no monies by the Corporation or any of its Subsidiaries, from that point forward that Person will be deemed to no longer be a party to this Agreement, provided however that where such Person disposed of his Equity Securities in compliance with the provisions of this Agreement he will be entitled to the benefit of and be bound by the rights and obligations set forth in this Agreement in respect of matters occurring prior to such disposition.

2.4 Shareholder Representations & Warranties

Each Shareholder hereby represents and warrants to each other Shareholder and to the Corporation that the Shareholder, as of the date of this Agreement or the date of the instrument under which the Shareholder became party to this Agreement:

- a. is the registered and beneficial owner of the Shares shown beside the Shareholder's name in the Central Securities Register of the Company (or on the instrument under which the Shareholder became party to this Agreement) free and clear of any mortgage, lien or encumbrance or security interest, and the Shareholder is not subject to any agreement under which any mortgage, encumbrance, lien or security interest may be created upon any of the Shareholder's Shares other than this Agreement;
- b. is not in a relationship in respect of which a "triggering event" under Section 56 of the Family Relations Act (British Columbia), or any applicable similar legislation in any other jurisdictions has occurred;
- c. is not in any way subject or party to any unsatisfied judgments, consent decrees, injunctions, litigation, proceedings, actions or claims (and to the best of the knowledge of the Shareholder no such matters are pending or threatened against the Shareholder) which could result in a judgment against the Shareholder leading to the impairment or loss of the Shareholder's title to the Shares;
- d. is not violating, contravening, breaching, or creating a default under any law, statute, regulation, order, judgment or decree applicable to the Shareholder by becoming party to this Agreement or performing the provisions hereof; and
- e. if the Shareholder is not an individual, is duly created and validly exists under the laws of its jurisdiction of creation and has the legal power and capacity to own its assets and enter into and perform its obligations pursuant to this Agreement.

2.5 Subsequent Parties

Any holder of Shares who is currently not a signatory hereto or any future holder of Shares may, upon the written consent of the Corporation, become a party to this Agreement by executing an accession agreement substantially in the form attached as Schedule A, and upon such execution such shareholder will be entitled to all the rights of and subject to all the duties of an Investor or Shareholder, as the case may be, as if such shareholder had been an original signatory to this Agreement.

3. SHARE TRANSFERS

3.1 Restriction on Change of Control of Corporate Shareholders

No Shareholder, if such Shareholder is a corporation, may enter into any transaction or series of transactions that results in a Change of Control of such Shareholder, without the prior written consent of the Board which may be withheld in its sole discretion.

3.2 Restriction on Transfer of Shares

Subject to Section 3.6, no Shareholder shall Transfer, either directly or indirectly, any or all of its Shares to any Person, whether a Shareholder or not, except as otherwise provided for in this Agreement.

3.3 Right of First Refusal

Subject to Section 3.6, before a Shareholder may Transfer any Shares, the Shareholder (the **"Offeror"**) must comply with the following provisions, unless Sections 3.4 or 3.5 apply in which case this Section 3.3 will not apply and (and either of Sections 3.4 or 3.5 should be complied with as applicable):

- a. The Offeror desiring to Transfer any or all of its Shares (the **"Offered Shares"**) shall give written notice to the Corporation (the **"Transfer Notice"**) specifying the number of Offered Shares, the price, for the Offered Shares, and the terms of payment upon which the Offeror is prepared to Transfer the Offered Shares. The Transfer Notice shall appoint the Corporation as the agent of the Offeror for the sale of the Offered Shares to the other Shareholders (the **"Other Offerees"**) at the price and upon the terms of payment specified in the Transfer Notice. The Transfer Notice shall also state whether the Offeror has received an offer to purchase (the **"Third Party Offer"**) the Offered Shares, or any of them, from, or proposes to sell the Offered Shares, or any of them, to, any particular Person or Persons who are not Shareholders and, if so, the names and addresses of those persons shall be specified in the Transfer Notice.
- b. The Corporation shall forthwith, and no later than 2 business days after receiving the Transfer Notice, transmit a copy of the Transfer Notice to each of the Other Offerees and shall request that each such Other Offerees state in writing, within 7 calendar days from the date that the Transfer Notice is transmitted to the Other Offerees, whether the Other Offerees are willing to purchase any of the Offered Shares and, if so, the maximum number they are willing to purchase.
- c. Upon the expiration of the 7-day notice period provided for in subsection 3.3(b) above, if the Corporation has received from the Other Offerees entitled to receive the Transfer Notice sufficient acceptances to purchase all the Offered Shares, the Corporation shall thereupon apportion the Offered Shares among the Other Offerees so accepting pro rata in proportion to the number of Shares held by each of them respectively up to the number of Offered Shares accepted by each of them respectively. If the Corporation did not receive sufficient acceptances to purchase all of the Offered Shares, the Corporation may apportion the Offered Shares among

the Other Offerees accepting pro rata in proportion to the number of Shares held by each of them respectively, up to the number of the Offered Shares accepted by each of them respectively. Any time before or upon the expiration of the 7-day notice period provided in subsection 3.3(b), the Corporation shall forthwith, being no later than 1 calendar day after such expiration, notify the Offeror whether any of the Offered Shares will be purchased by the Other Offerees, and should the Corporation not provide such notice, the Offeror may Transfer the Offered Shares pursuant to subsection 3.3(e) unless prohibited to do so in accordance with other Sections of this Agreement.

- d. After an apportionment has been made pursuant to subsection 3.3(c). and upon payment to the Offeror or the Corporation (who accepts payment on behalf of the Offeror) of the price for the Offered Shares apportioned, the Offeror shall be bound to Transfer those Shares for which payment has been made, in accordance with that apportionment and, if the Offeror fails to do so, the Corporation shall cause the name of the purchasing Other Offerees to be entered in the register of shareholders of the Corporation as the holders of those Shares and shall cancel the share certificates previously issued to the Offeror representing those Shares, whether they have been produced to the Corporation or not. Payment to the Corporation, as agent for the Offeror, of the Purchase Price shall be sufficient payment by the purchasing Other Offerees, and entry of the Transfer in the register of shareholders of the Corporation shall be conclusive evidence of the validity of the Transfer. Upon completion of the Transfer, the Corporation shall pay the Purchase Price to the Offeror. Any Offered Shares not purchased by the Other Offerees ("**Residual Shares**") may be transferred pursuant to subsection 3.3(e).
- e. If, after compliance with the provisions of Sections 3.3(a) to 3.3(d) above, there are Residual Shares, then the Offeror will have the option to Transfer all of the Residual Shares to any Person, provided that the Offeror shall not sell any of the Offered Shares at a price less than that specified in the Transfer Notice or on terms more favourable to the purchaser than those specified in the Transfer Notice and the transfer of the Residual Shares or any of them takes place within 90 calendar days from the expiration of the 7-day notice period as provided for in subsection 3.3(b) above.

3.4 Tag Along Rights

With respect to the transfer of a particular class of Shares, if any Founder (a "**Piggyback Seller**" for the purposes of this Section) wishes to Transfer its Shares (the "**Offered Securities**") to a third party (a "**Piggyback Sale**"), then any Shareholder (the "**Other Holder**") shall have the right (the "**Piggyback Right**") to participate in any such Transfer of Shares by that Piggyback Seller on the following terms and conditions:

- a. Intended Sale Notice. If the Piggyback Seller intends to proceed with a Piggyback Sale, the Piggyback Seller shall immediately notify each Other Holder in writing specifying:
 - i. The name and address of the third party (the "**Third Party**") intended to purchase the Offered Securities;
 - ii. The purchase price the Third Party is to pay the Piggyback Seller for the Shares to be purchased (the "**Specified Prices**") and the other terms and conditions of the intended sale;
 - iii. The number and class of Equity Securities held by the Third Party and its Associates and Affiliates; and

- iv. That each Other Holder has the Piggy Right provided under this Section in respect of the proposed Transfer.
- b. Securities which can be Piggybacked. Each Other Holder shall be entitled to sell to the Third Party, in conjunction with the closing of the Third Party's purchase of Shares from the Piggyback Seller, such Other Holders pro rata portion of his, her or its Shares (or such lesser number of Shares as each Other Holder may determine) determined by the following formula, and for clarity such entitlement is only with respect to the particular class(es) of Shares that is/are part of the Piggyback Sale and the following formula is to be calculated for each such class separately:

$$\begin{array}{l}
 \text{Proportion of the class} \\
 \text{of Shares that is to be} \\
 \text{Transferred in the} \\
 \text{Piggyback Sale an} \\
 \text{Other Holder may sell}
 \end{array}
 = \frac{\begin{array}{l}
 \text{Number of such particular class of Shares on a Fully} \\
 \text{Converted Basis held by the Other Holder for whom} \\
 \text{this formula is being used for}
 \end{array}}{\begin{array}{l}
 \text{Total number of such particular class of Shares on a} \\
 \text{Fully Converted Basis then held by all Other Holders} \\
 \text{(including the Other Holder for whom this formula is} \\
 \text{being used for) and the Piggyback Seller as a group}
 \end{array}} \times 100\%$$

- c. Exercise Notice. Each Other Holder shall have 14 calendar days after the receipt of the Piggyback Notice, to exercise its Piggyback Right by written notice to the Piggyback Seller specifying the number of Shares which each Other Holder elects to sell to the Third Party hereunder as applicable given the particular class of Shares the Third Party is intending to purchase from the Piggyback Seller.
- d. Piggyback Sale to Third Party. If an Other Holder exercises the Piggyback Right, the Piggyback Seller may not complete the Transfer of the Offered Securities to the Third Party unless the Third Party also purchases from the Other Holder all of the Shares (the "**Piggyback Securities**") in respect of which the Piggyback Right was exercised at the same time and on the same terms and conditions.

If the Third Party will not purchase the Piggyback Securities from the Other Holders on the terms and conditions provided for herein, then the Piggyback Seller shall not Transfer the Offered Securities to the Third Party. If the Piggyback Seller Transfers all or part of the Offered Securities to the Third Party in violation of the foregoing, then each Other Holder shall have the right to put (by notice in writing) its Piggyback Securities to the Piggyback Seller at the Specified Prices, in addition to any other rights or remedies it may have at law or equity.

For clarity, this Section gives the right to Other Holders to sell the particular Share class that is subject to the Piggyback Sale and not for other Share classes that were not subject to the Piggyback Sale.

For the purposes of Section 5.2 (below), "**Tag Along Transaction**" means the transactions described under this Section, and for clarity and for the purposes of Section 5.2, the consummation of a Tag Along Transaction occurs when either: (1) if the Piggyback Seller Transfers all or part of the Offered Securities to the Third Party in compliance with this Section, then the completion of such transfer, or (2) if the Piggyback Seller Transfers all or part of the Offered Securities to the Third Party in violation of this Section, then after each Other Holder has either put (by notice in writing) its Piggyback Securities to the Piggyback Seller at the Specified Prices or has indicated in writing that such holder would not exercise such put.

For clarity, the "put" or the "right to put" referred to in this Section, refers to a securityholder's right to sell its security to the person against whom they are exercising the put/right to put against.

3.5 Drag Along Rights

If:

- a. shareholders of the Corporation holding not less than 80% of the issued and outstanding Common Shares (on a Fully Converted Basis) (the “Selling Shareholders”) have agreed to Transfer to an arm’s-length Person or Persons acting in concert (the “**Purchaser**” for the purposes of this Section) pursuant to a bona fide offer all of the Common Shares of the Corporation held by the Selling Shareholders or the Selling Shareholders approve a sale of all or substantially all of the assets of the Corporation to the Purchaser; and
- b. in the case of an offer for all of the Common Shares of the Corporation as indicated in the subsection above, the Purchaser offers to each of the other shareholders of the Corporation (the “Other Shareholders”) to purchase the remaining Common Shares of such Other Shareholders (the “**Specified Securities**”) on equivalent terms and conditions, mutatis mutandis, as those agreed to by the Selling Shareholders, but subject to the rights and restrictions, including all liquidation preferences, attaching to the respective Shares as set out herein and in the Constatting Documents of the Corporation, and all of which terms and conditions are set out in writing and promptly delivered to the Other Shareholders (the “**Drag Along Offer**”),

then, in the case of an offer for all of the Common Shares of the Corporation, the Other Shareholders will be required to sell all of their Specified Securities to the Purchaser in accordance with the terms and conditions of the Drag Along Offer, and in the case of a sale of all or substantially all of the assets of the Corporation, the Other Shareholders shall consent to, vote for and raise no objection to such sale and shall do such additional acts as are necessary and desirable to give effect to such sale.

If any of the Other Shareholders (the “**Delinquent Holders**”) fail to sell their Specified Securities to the Purchaser in accordance with the terms and conditions of the Drag Along Offer, the Purchaser will have the right to deposit the applicable purchase price for those Specified Securities 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 Delinquent Holders’ Specified Securities duly endorsed for transfer to the Purchaser. Upon such deposit being made, the Specified Securities in respect of which the deposit was made will hereby automatically (without any further action of any kind on the part of the Delinquent Holders or the Purchaser unless required by applicable laws) be transferred to and purchased by the Purchaser and will be transferred on the books of the Corporation to the Purchaser and the rights of the Delinquent Holders in respect of those Specified Securities after such deposit will hereby be limited to receiving, with interest (this interest only relates to bank interest if the deposit was made to an interest bearing account), their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective Specified Securities duly endorsed for transfer to the Purchaser.

For the purposes of Section 5.2 (below), “**Drag Along Transaction**” means the transactions described under this Section, and for clarity and for the purposes of Section 5.2, the consummation of a Drag Along Transaction occurs when either: (1) in the case of an offer for all of the Common Shares of the Corporation, the Other Shareholders have sold all of their Specified Securities to the Purchaser in accordance with the terms and conditions of the Drag Along Offer as described under this Section (or if there are any Delinquent Holders, then consummation occurs when the Purchaser has deposited the applicable purchase price for such holders’ Specified Securities as described under this Section); or (2) in the case of a sale of all or substantially all of the assets of the Corporation, the Other Shareholders have consented to or otherwise voted in favour to such sale.

3.6 Permitted Transfers

Subsections 3.2 and 3.3, do not apply to the following Transfers of Equity Securities:

- a. **Transfer to Affiliates.** Any Shareholder may Transfer or otherwise dispose of all or any part of its Shares to an Affiliate of the Shareholder provided that, prior to any such Transfer, the Shareholder and the Affiliate enter into an agreement with the other parties to this Agreement, which provides that:
 - i. the Affiliate will remain an Affiliate of the Shareholder for so long as the Affiliate holds the Shares;
 - ii. prior to the Affiliate ceasing to be an Affiliate of the Shareholder, the Affiliate will Transfer its Shares to the Shareholder or to another Affiliate of the Shareholder, and that such other Affiliate will enter into an agreement similar to this Agreement with the other Shareholders and the Corporation;
 - iii. the Affiliate will otherwise be bound by and have the benefit of the provisions of this Agreement; and
 - iv. the obligations of the original Shareholder hereunder shall not in any way be released and shall continue in full force and effect.
- b. **Transfer to Family Trust, Spouse, Child or Registered Retirement Savings Plan.** Any Shareholder may Transfer or otherwise dispose of all or any part of its Shares to a Family Trust, spouse, child or a registered retirement savings plan or tax-free saving plan (or account) or any similar plan (or account) of the Shareholder, provided that prior to any such Transfer, the Shareholder and the Family Trust, the spouse or child of the Shareholder, or the trustee of the Shareholder's registered retirement savings plan enter into an agreement with the other parties to this Agreement, which provides that:
 - i. the transferee(s) will be bound by and have the benefit of the provisions of this Agreement; and
 - ii. the obligations of the original Shareholder hereunder shall not in any way be released and shall continue in full force and effect.
- c. **Death.** Any Shareholder may Transfer or otherwise dispose of all or any part of its Shares upon the death of a Shareholder, in which case that Shareholder's Shares may be Transferred in accordance with a probated will of the deceased or by operation of laws for the administration of estates upon intestacy, provided that each such transferee enters into an agreement under which the transferee becomes party to and bound by this Agreement.
- d. **Redemptions, Retractions, etc.** Any Transfer of Shares made in accordance with the special rights and restrictions (if any) attached to Shares, any Transfer(s) made in accordance with Section 3.4 or Section 3.5, or a Transfer of Equity Securities under a repurchase of Equity Securities by the Corporation itself.
- e. **Approval by the Board.** Any Person or Persons approved by the Board.

3.7 Founders' Subordination.

Notwithstanding anything to the contrary, if prior to an IPO, the Corporation undergoes a Sale, then if the aggregate proceeds from such Sale that are payable to each Shareholder for his or her Common Shares is less than the Original Purchase Price (as computed, the "**Shareholder Deficit**"), then each of the Founders shall forfeit and subordinate to such Shareholders, such portion of their proceeds that is in excess of their respective aggregate Original Purchase Price, to the extent of such Shareholder Deficit.

3.8 Endorsement on Share Certificates

Any and all certificates representing Equity Securities now or hereafter owned by Shareholders during the currency of this Agreement (whether such Equity Securities are issued initially or following a Transfer or otherwise) will have endorsed thereon in bold type the following legend:

"The securities represented by this certificate are subject to the provisions of a Shareholders Agreement dated for reference the [inset date of Shareholders Agreement], as amended, restated or replaced from time to time, and such securities are not transferable on the books of the Corporation except in accordance and compliance with the terms and conditions of such Agreement and Articles of Incorporation of the Corporation."

3.9 Waiver of Rights

Notwithstanding any other provision of this Article 3, any Person may waive its rights with respect to any particular offer or right given under, or provision contained in, this Article 3 by notice in writing to the Corporation and the Shareholder who is proposing to transfer Shares.

3.10 Shareholder Transfer of Agreement Rights

The Transfer of Equity Securities by a Shareholder pursuant to the provisions of Article 3 includes the transfer of such Shareholders' rights under this Agreement.

3.11 Recognition of Transfers

The Corporation will not recognize any Transfers of Shares made in violation of this Agreement unless mandated by an amendment to this Agreement or court order having jurisdiction over the Corporation.

4. PRE-EMPTIVE RIGHTS

4.1 Pro-Rata Pre-emptive Right

Subject to Section 4.2 and any applicable laws (including stock exchange rules or policies), each time the Corporation proposes to allot, issue, sell or resell any Equity Securities, the Corporation shall first offer (the "**Treasury Offer**") the Equity Securities to the Shareholders (collectively the "**Treasury Offerees**" and individually a "**Treasury Offeree**") on the following basis unless it is prohibited to do by applicable laws:

- a. **Pro Rata Portions.** The number of Equity Securities a particular Treasury Offeree shall be offered and may purchase shall be determined by the following formula:

$$\begin{array}{l}
 \text{Number of Equity Securities which the Treasury Offeree shall be offered and may purchase} \\
 = \\
 \frac{\text{Number of Common Shares (as calculated on a Fully Convertible Basis) held by the Treasury Offeree immediately prior to the Treasury Offer}}{\text{Number of Common Shares (as calculated on a Fully Convertible Basis) held by all Treasury Offerees immediately prior to the Treasury Offer}} \times \text{Total Number of Equity Securities being offered}
 \end{array}$$

b. **Notice of Offer.** Each Treasury Offer shall be made by written notice to the Treasury Offerees specifying:

- i. the total number and class of Equity Securities offered;
- ii. the price at which the Equity Securities are being offered;
- iii. any other terms and conditions applicable to the offer not set out in this Section 4 and any documents that are required to be completed or signed by the Treasury Offeree; and
- iv. that Treasury Offerees shall have 7 calendar days (the “**Acceptance Period**”) following receipt of the notice to accept the Treasury Offer.

c. **Acceptance.** Acceptance of a Treasury Offer shall be made by: (i) notice in writing to the Corporation within the Acceptance Period specifying the number of Equity Securities up to the pro rata number determined under subsection (a) above that the Treasury Offeree wishes to purchase; (ii) the acceptance by the Treasury Offeree of any terms and conditions related to the Treasury Offer; and (iii) the signing or completion of any documents by the Treasury Offeree required by applicable laws (including stock exchange rules or policies) in relation to the Treasury Offer. The Treasury Offeree may also specify in such notice an additional number of the Equity Securities (“**Specified Additional Amount**”) offered for sale that the Treasury Offeree is prepared to purchase if any of the other Treasury Offeree fails to fully accept their offered portion of the Treasury Offer. If a Treasury Offeree does not accept the Treasury Offer by the expiration of the Acceptance Period, then such Treasury Offeree shall be deemed to have refused the Treasury Offer. Additionally, if all Treasury Offerees notify the Corporation in writing that they accept or decline the Treasury Offer before the end of the Acceptance Period, then the Acceptance Period shall be deemed to have ended on the date the last such notice is received by the Corporation.

d. **Sale to Third Party.** The Corporation shall be entitled to allot, issue or sell the balance of any of the offered Equity Securities in the Treasury Offer which are not purchased by the Treasury Offerees upon completion of the above process in this Section to any Person(s), other than a Treasury Offeree who did not accept the Treasury Offer, provided that, unless required by applicable laws (including stock exchange rules or policies, such allotment, issuance or sale shall not be effected at a price which is less than the price or on terms and conditions which are more favourable (from the purchaser's perspective) than those set forth in the written notice to the Treasury Offerees concerning the Treasury Offer.

4.2 Permitted Non-Pro rata Offerings

The Corporation may directly allot, issue or sell Equity Securities without complying with Section 4.1 where the Equity Securities are being issued in any one or more of the following circumstances:

- a. the issuance is to employees, consultants, officers or directors of the Corporation pursuant to stock purchase or stock option plans or as otherwise approved by the Board;
- b. the issuance is in connection with bona fide acquisition transaction approved by a majority of the Board;
- c. the issuance is in pursuant to a duly approved subdivision, amalgamation, plan of arrangement, reorganization, or any similar transaction, or dividend payable in securities;
- d. the issuance is pursuant to the special rights and restrictions (if any) attached to the Equity Securities;
- e. the issuance of securities pursuant to currently outstanding options, warrants, notes, or other rights to acquire securities of the Corporation;
- f. the issuance is to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions approved by a majority of the Board; or
- g. the issuance is in connection with strategic collaborations, development agreements or licensing transactions, the terms of which are approved by a majority of the Board.

5. AMENDMENT AND TERMINATION

5.1 Amendments

Any term of this Agreement may be amended or waived only with the written consent of Shareholders holding not less than 70% of the Common Shares on a Fully Converted Basis, provided that any amendment or waiver which materially and adversely affects the rights of a Shareholder in a manner that discriminates against such Shareholder vis-à-vis the other Shareholders, shall also require the written consent of such Shareholder. Any amendment or waiver effected in accordance with this Section 5.1 shall be binding upon the Shareholders and each transferee of the Shares (or the Shares issuable upon conversion thereof), each future holder of all such securities, and the Corporation, provided that any amendment or waiver which materially and adversely affects the rights of a Shareholder in a manner that discriminates against such Shareholder vis-à-vis the other Shareholders, shall also require the written consent of such Shareholder.

5.2 Termination Events

This Agreement will terminate, except as provided in Section 5.3:

- a. if Shareholders holding not less than 80% of the Common Shares on a Fully Converted Basis agree in writing to terminate this Agreement;
- b. if a Liquidation Event occurs;
- c. upon the consummation of a Tag Along Transaction as described in Section 3.4 above or a Drag Along Transaction as described in Section 3.5;

- d. upon the completion of any of the following **“Going Public Transactions”**:
 - i. an initial public offering of any of the securities of the Corporation in any jurisdiction, whether or not such offering is followed by a listing of such securities and whether or not such offering is underwritten or not;
 - ii. the listing of any of the securities of the Corporation on any stock exchange or quotation system;
 - iii. an acquisition of the Corporation by, or a merger of or similar transaction involving the Corporation with a Public Company;
 - iv. any transaction, event or filing that makes the Corporation into a Public Company;
- e. a dissolution or windup of the Corporation.

5.3 Surviving Obligations

The termination of this Agreement will not affect the right of any party to whom money is owed hereunder at the time of termination to receive that money according to the provisions hereof or affect any other rights or obligations which arose hereunder in respect of matters occurring prior to or concurrent with such termination.

6. GENERAL PROVISIONS

6.1 No Partnership or Joint Venture

Nothing in this Agreement or in the relationship of the parties hereto will be construed as in any sense creating a partnership or joint venture among or between the parties or as giving to any party any of the rights or subjecting any party to any of the creditors of the other party.

6.2 Confidential Information

In this Section, **“Confidential Information”** will mean confidential or proprietary information of the Corporation, including information in respect of the business, work, inventions, patents, designs, methods, improvements, trade secrets, know-how, and information in respect of any other confidential or proprietary matters, but excluding information which:

- a. was in or comes into the public domain other than as a result of a breach of this Agreement;
- b. is disclosed with the permission of the Corporation;
- c. was in the possession of the Shareholder prior to its receipt thereof from the Corporation; or
- d. is required to be disclosed pursuant to applicable laws or policies or regulations of any government or regulatory authority.

Each Shareholder acknowledges that the Shareholder may come into possession of Confidential Information as a result of various disclosures or information provided by other Shareholders or by the Corporation pursuant to this Agreement, including through attendance at a Shareholders’ meeting, through a visit to the Corporation’s premises or through various notices or offers pursuant to Article 3 hereof.

Each Shareholder agrees that all such Confidential Information will, for all purposes, be maintained by the Shareholder as strictly confidential and the Shareholder will not reveal, or induce others to reveal, any of the Confidential Information to any Person (except, if the Shareholder is a corporation, limited liability Corporation or partnership, those of the Shareholder's employees, directors, officers, managers, advisors, counsel, consultants or agents with a definable need to know and who are subject to a duty of confidentiality).

6.3 Time of the Essence

Time will be of the essence of this Agreement.

6.4 Further Acts

Each of the parties to this Agreement will at the request of any other party, and at the expense of the Corporation, execute and deliver any further documents and do all acts and things as that party may reasonably require in order to carry out the true intent and meaning of this Agreement.

6.5 Parties of Interest

This Agreement and the rights of such party hereunder will enure to the benefit of and be binding upon the parties hereto, their permitted assigns, personal representatives, executors, administrators, heirs, and successors.

6.6 Share Reorganizations

The provisions of this Agreement relating to Equity Securities will also apply, with the necessary changes, to the following:

- a. any Shares or securities into which such Equity Securities may be converted, changed, reclassified, re-divided, re-designated, redeemed, subdivided or consolidated;
- b. any Shares or securities that are received by the shareholders of the Corporation as a stock dividend or distribution payable in Shares or securities of the Corporation; and
- c. any Shares or securities of the Corporation, or of any successor or continuing corporation to the Corporation, that may be received by the shareholders of the Corporation on a reorganization, amalgamation, consolidation or merger or otherwise, unless they are being received as part of a Going Public Transaction.

6.7 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and each party hereto irrevocably submits to arbitration for the resolution of any disputes between the parties, to be conducted by a single arbitrator chosen by the parties.

6.8 Entire Agreement

This Agreement constitutes the entire agreement between the parties to this Agreement with respect to the subject matter hereof and supersedes all prior negotiations, proposals and agreements, whether oral or written, with respect to the subject matter of this Agreement. The parties hereto hereby terminate all other shareholders' agreements between or among or between any of them which govern the voting, holding or sale of Equity Securities or the management of the affairs of the Corporation. The parties

represent that they are not aware of any outstanding breaches of any such other agreements now being terminated.

6.9 Notices

All notices and demands under this Agreement must be in writing and may be delivered personally, or by facsimile transmission, or by electronic mail to the addresses as first written above or on any document pursuant to which a Person becomes party hereto, or such other addresses as may from time to time be notified in writing by the parties. All notices will be deemed to have been given and received on the next Business Day following the date of transmission or delivery, as the case may be.

6.10 Waiver

Failure by any party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein will not be construed as a waiver or relinquishment of such covenant. No waiver by any party hereto of any such covenant will be deemed to have been made unless expressed in writing and signed by the waiving party.

6.11 Severability

If any provision of this Agreement is held to be unenforceable, then that provision will be construed by modifying it to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded. If an unenforceable provision is modified or disregarded in accordance with this Section, then the rest of this Agreement will remain in effect as written, and the unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

6.12 Assignment

Except as otherwise provided in this Agreement, no party will be entitled to assign its rights under this Agreement to any Person without the prior written consent of the other parties.

6.13 Aggregation of Shares

All Shares held or acquired by Affiliate entities or Persons shall be aggregated together for the purpose of determining the rights available to any party under this Agreement.

6.14 Counterparts

This Agreement may be signed in counterparts, each of which will be deemed to be an original and together will be deemed to constitute the same instrument. This Agreement may be signed and delivered manually or electronically.

6.15 Independent Legal Advice

Each party acknowledges that it has had the opportunity to discuss this Agreement (including such party's rights and obligations under this Agreement) with such party's own independent legal advisor(s) or lawyer(s), or that it has based on its own volition decided not to seek such independent legal advice. Each Party acknowledges that the legal counsel for the Corporation being Nick Ayling Law Corporation and Nox Law Corporation do not represent any shareholder or other securityholder of the Corporation or any other party, and such counsel only represent the Corporation with respect of this Agreement.

7. MUTUAL INDEMNIFICATION

Each party to the Agreement (for the purposes of this Section the “**Indemnitor**”) agrees to indemnify, defend and hold harmless the other parties (each an “**Indemnitee**”, collectively the “**Indemnitees**”) from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, and expenses (including reasonable attorney fees) actually made against or levied or charged to such Indemnitee(s) arising out of (a) a failure to act, omission, or misrepresentation by the Indemnitor, its officers, directors, employees, contractors, brokers or agents related to this Agreement; or (b) any breach by the Indemnitor of any of the terms, conditions, warranties or representations contained in this Agreement, or in any other instrument executed by the Indemnitor in connection with this Agreement..

[Signature Page appears on the next page]

With reference to the Shareholders' Agreement dated November 19th, 2015:

For FREIGHTERA LOGISTICS INC.

Per:

Authorized Signatory

on this date:

Day/Month/Year

For Shareholder if an Individual

Signed, Sealed and Delivered by
(Print name of Investor)

in his/her presence in the City of

in the Province/State of

on this date

Day/Month/Year

Witness signature

Witness name

Signature of Investor:

on this date

Day/Month/Year

For Shareholder if a Corporation

Signed, Sealed and Delivered by
(Print name of Investor)

in his/her presence in the city of

in the Province/State of

on this date

Day/Month/Year

Witness signature

Witness name

Signature of Authorized Person:

Title

on this date

Day/Month/Year

**SCHEDULE A
ACCESSION AGREEMENT**

Reference is made to the Shareholders' Agreement dated for reference as of the 19th day of November, 2015 among the Corporation, the Shareholders and Investors (as defined in the Shareholders' Agreement (as amended from time to time).

_____ (the "**New Shareholder**") is the owner of [number] _____ of [specify class of shares] Common shares in the capital of the Corporation and has made a request to the Corporation to become a party to the Shareholders' Agreement as a Shareholder. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the New Shareholder, the New Shareholder hereby agrees to become a party to and be bound by all of the terms and conditions of the Shareholders' Agreement as a Shareholder and upon execution of this Accession Agreement will be entitled to all rights of and subject to the duties of a Shareholder as if it had been an original signatory to the Shareholder Agreement.

The Corporation hereby consents to the New Shareholder becoming a party to the Shareholder Agreement.

For FREIGHTERA LOGISTICS INC.)	
Per:)	on this date:
_____)	_____
Authorized Signatory)	Day/Month/Year

For Shareholder if an Individual)	
Signed, Sealed and Delivered by)	
(Print name of Investor))	
_____)	
in his/her presence in the City of)	Signature of Investor:
_____)	
in the Province/State of)	
_____)	
on this date)	on this date
_____)	_____
Day/Month/Year)	Day/Month/Year
_____)	
Witness signature)	
_____)	
Witness name)	
_____)	

For Shareholder if a Corporation)	
Signed, Sealed and Delivered by)	
(Print name of Investor))	Signature of Authorized Person:
_____)	
in his/her presence in the City of)	
_____)	
in the Province/State of)	Title
_____)	_____
on this date)	on this date
_____)	_____
Day/Month/Year)	Day/Month/Year
_____)	
Witness signature)	
_____)	
Witness name)	
_____)	

ITEM 15: APPENDIX 2 - SUBSCRIPTION AGREEMENT

Date: December 28th, 2017

Read the Instructions carefully

The balance of this page is intentionally left blank.

INSTRUCTIONS TO SUBSCRIPTION AGREEMENT

To complete this Agreement, you must:

1. Complete and execute the first page following this instruction page.
2. Complete the applicable schedule(s):
 - A. **Canadian Accredited Investors.** If you are an accredited investor, complete and execute Schedule A - Certificate of Accredited Investor and if you select categories (j), (k) and/or (l) under Schedule A, you must also complete Schedule A1 - Individual Accredited Investor Risk Acknowledgment Form.
 - B1. **Family, Friends and Business Associates (for non-Ontario residents).** If you are not a resident of Ontario and are purchasing under the Family, Friends and Business Associates Exemption, complete and execute Schedule B1 - Certificate of Family, Friends and Business Associates and, if you are a resident of Saskatchewan, complete and execute Schedule B1 – Risk Acknowledgement Form for Family, Friend and Business Associate Investors.
 - B2. **Family, Friends and Business Associates (for Ontario residents).** If you are a resident of Ontario and are purchasing under the Family, Friends and Business Associates Exemption, complete and execute Schedule B2 - Risk Acknowledgement Form for Family, Friend and Business Associate Investors.
 - C. **US Accredited Investors.** If you are a resident of or otherwise subject to the securities laws of the United States, complete and execute Schedule A (and if applicable Schedule A1) or B, and Schedule C - Certification of U.S. Purchaser.
 - D. **Overseas Subscribers** (If you are resident in a jurisdiction outside Canada and the United States (the “International Jurisdiction”) or are otherwise subject to the laws of an International Jurisdiction, complete Schedule Schedule A1 - (Individual Accredited Investor Risk Acknowledgment Form) and Schedule D (Offshore Subscriber Certificate).
 - E. **Cdn\$150,000 Investments (non-Individuals).** If you are not a resident of or otherwise subject to the securities laws of the United States and are acquiring securities with a value of Cdn\$150,000 or more and are not an individual, there are no schedules to be completed but, by executing this Agreement, you will be confirming the accuracy of the applicable representations and warranties and other relevant sections of Appendix I.
3. **Pay the Purchase Price and Deliver this Agreement.** This signed Agreement including all required Schedules should be sent to the Issuer along with the aggregate Purchase Price payable in Canadian dollars by certified cheque, bank draft, wire transfer, or other form of payment accepted by the Issuer to:

Wire Instructions:		Issuer's Contact and Delivery Instructions:	
Beneficiary Name:	Freightera Logistics Inc.	Delivery Address:	Office 8036
Bank:	Royal Bank of Canada		200 – 375 Water Street
Bank Institution No.:	003		Vancouver BC V6B 0M9
Bank Transit Number:	07200	Telephone:	1-800-886-4870
For Canadian Dollars:	Account no. 1011386	Email:	invest@freightera.com
SWIFT/BIC Code:	ROYCCAT2		
For US Dollars:	Account no. 4002150		
ABA Routing no.	021000021		

**For US Dollars and other currencies, contact the Issuer for Exchange Rate.*

The officer of the Issuer who can answer questions about collection of information, as described in section 28 of Appendix I to this Agreement, is: Eric Beckwitt, Chief Executive Officer, email: eric.beckwitt@freightera.com

SUBSCRIPTION AGREEMENT

TO: FREIGHTERA LOGISTICS INC. (the "Issuer")

DATE: January 6th, 2018

The Securities. The securities being sold pursuant to this Agreement (the "Securities") consist of common shares of the Issuer at a price of Can\$1.20 per share.

The undersigned Subscriber hereby irrevocably offers to subscribe for and agrees to purchase from the Issuer the number of Securities set forth below for the total purchase price set forth below (the "**Purchase Price**") upon and subject to the terms, conditions, covenants, representations and warranties set forth in "Terms and Conditions of Subscription for Securities" attached as Appendix I hereto (the "**Subscription Terms**"). The Subscription Terms and the schedules hereto are expressly incorporated herein.

Number of Units:

Canadian \$ Amount:

The Subscribers represents and warrants that:

1. The Subscriber either does not own any securities of the Issuer or beneficially owns (directly or indirectly), or exercises control or direction over the following securities of the Issuer (.e.g. Warrants or Options):

Common Shares:

Other Securities:

2. **The Subscriber is** / **is not** (check one) an Insider (as defined on next page) of the Issuer;
3. **If a non-individual**, the Subscriber **has** / **does not have** (check one) a Beneficial Owner (as defined on the next page) and, if it has a Beneficial Owner, the name and address of the Beneficial Owner is as follows:

Name:

Address:

4. **If signing as an agent for a principal** and not deemed to be purchasing as a principal (as defined on the next page), the name and residential address of such principal is as follows:

Name:

Address:

5. **The Subscriber is** / **is not** (check one) a Registrant (as defined on next page).

<u>Subscriber's Information and Signature</u>
(Name of Subscriber)
(Signature of Subscriber or Authorized Signatory)
(Name and Title of Authorized Signatory, if applicable)
<u>Residential Address</u>
Telephone:
Email:

<u>Certificate Delivery Instructions</u>
(if different from the name & address given in the box to the left)
(Name of Contact)
Account/Plan Number (if applicable)
<u>Delivery Address</u>
Telephone:
Email:
<u>Certificate Registration Instructions</u>
(if different from the name & address given in the box to the left)
<u>Registration Address</u>

NOTE: The information collected herein will be used by the Issuer in determining whether the Subscriber meets the requirements for the applicable prospectus exemptions, for making certain filings with applicable regulatory authorities. By signing this Subscription Agreement, the Subscriber and any disclosed principal for whom the Subscriber is acting hereby consents to the collection and use of all of the Subscriber's or the disclosed principal's personal information contained herein by the Issuer for the above referenced purpose.

ACCEPTANCE: The Issuer hereby accepts the above subscription on the terms and conditions contained in this Agreement.

FREIGHTERA LOGISTICS INC.

Per: _____
Authorized Signatory

Execution Date dd mm yyyy

DEFINITIONS:

1. "**Beneficial Owner**" means the ultimate control person who holds collectively, whether directly or indirectly, securities of the Subscriber entitling such person to greater than 50% of the number of votes entitled to vote on an election of directors of the Subscriber (such level of security holding referred to below as "Voting Control"). For this purpose securities held by every "affiliate" of a person are considered to be held indirectly by the person. Persons are "affiliates" of each other as a result of one having Voting Control over the other, whether such Voting Control is through the direct ownership of securities or indirectly through one or more other persons which are linked down through a chain of persons, each of which has Voting Control over the one below it. The person at the top of such chain of persons is the ultimate control person referred to above. For the purposes of this definition "person" includes individuals, corporations, partnerships, limited partnerships, syndicates or other unincorporated forms of organization.
2. "**deemed to be purchasing as principal**" means purchasing as principal under section 2.3 of NI 45-106 by virtue of being a trust company or trust corporation described in paragraph (p) of, or by virtue of being a person described in paragraph (q) of, the definition "accredited investor" in section 1.1 of NI 45-106, and the Securities are being acquired by such principal as principal.
3. "**Insider**" of an issuer, as defined in the *Securities Act* (British Columbia), means:
 - (a) a director or officer of the issuer;
 - (b) a director or officer of a person that is itself an insider or subsidiary of the issuer;
 - (c) a person that has (i) beneficial ownership of, or control or direction over, directly or indirectly or (ii) a combination beneficial ownership of, and control or direction over, directly or indirectly, securities of the issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or
 - (d) the issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.
4. "**NI 45-106**" means National Instrument 45-106 of the Canadian Securities Administrators.
5. "**Registrant**" means a person registered or required to be registered pursuant to National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations published by the Canadian Securities Administrators.

SCHEDULE A

CERTIFICATE OF ACCREDITED INVESTOR

TO: FREIGHTERA LOGISTICS INC. (the "Issuer")

RE: SUBSCRIPTION FOR SECURITIES OF THE ISSUER

All capitalized terms not defined herein shall have the meaning given to them in the Subscription Agreement to which this Schedule A is attached and in Appendix I thereto (collectively, the "**Subscription Agreement**").

The undersigned Subscriber/duly authorized representative of the Subscriber (or in the case of a trust, the trustee or an officer of the trustee of the trust) hereby certifies, represents and warrants that:

1. he/she has read the Subscription Agreement to which this Schedule A is attached and understands that the offering of the Securities is being made on a prospectus exempt basis; and
2. the Subscriber and, if applicable, the disclosed principal on whose behalf the Subscriber is purchasing the Securities, is an "accredited investor" as defined in NI 45-106, by virtue of satisfying one or more of the categories of "accredited investor" set forth below, which the Subscriber has correctly marked (please note that additional categories of accredited investor are available for certain financial institutions, banks, governments, pension funds, investments funds, trust companies and charities and a separate Certificate of Accredited Investor for those types of investors is available upon request to the Issuer):

[Please initial beside each category that applies to the Subscriber as provided in NI 45-106.]

- d. _____ **except in Ontario**, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- d.1 _____ **in Ontario**, a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations,*
- e. _____ an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- e.1 _____ an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- j. _____ an individual who, either alone or with a spouse, beneficially owns financial assets^① having an aggregate realizable value that, before taxes, but net of any related liabilities^②, exceeds Cdn\$1,000,000. **IF YOU INITIAL THIS CATEGORY, THE SUBSCRIBER MUST COMPLETE, INITIAL, AND SIGN THE RISK ACKNOWLEDGEMENT FORM ATTACHED AS SCHEDULE A1.**

By initialing this box, the Subscriber confirms that s/he has discussed this investment with the salesperson identified on Schedule A1 hereof and such salesperson explained the calculation of the financial assets test and asked questions to confirm that the Subscriber either alone or with a spouse met such threshold.

- j.1 _____ an individual who beneficially owns financial assets ^① having an aggregate realizable value that, before taxes but net of any related liabilities ^②, exceeds \$5,000,000;

By initialing this box, the Subscriber confirms that s/he discussed this investment with _____ (name of salesperson) of _____ (name of firm of salesperson) and such salesperson explained the calculation of financial assets before taxes and net of any related liabilities and asked questions to confirm that the Subscriber met such threshold.

- k. _____ an individual whose net income before taxes exceeded Cdn\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn\$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,^③ **IF YOU INITIAL THIS CATEGORY, THE SUBSCRIBER MUST COMPLETE, INITIAL, AND SIGN THE RISK ACKNOWLEDGEMENT FORM ATTACHED AS SCHEDULE A1.**

By initialing this box, the Subscriber confirms that s/he discussed this investment with the salesperson identified on Schedule A1 hereof and such sales person explained the calculation of the net income before taxes and asked questions to confirm that the Subscriber either alone or with a spouse met such threshold.

l. _____ an individual who, either alone or with a spouse, has net assets^④ of at least Cdn\$5,000,000. **IF YOU INITIAL THIS CATEGORY, THE SUBSCRIBER MUST COMPLETE, INITIAL, AND SIGN THE RISK ACKNOWLEDGEMENT FORM ATTACHED AS SCHEDULE A1.**

By initialing this box, the Subscriber confirms that s/he discussed this investment with the salesperson identified on Schedule A1 hereof and such salesperson explained the calculation of the net assets and asked questions to confirm that the Subscriber either alone or with a spouse met such threshold.

m. _____ a person (including a corporate entity), other than an individual or investment fund, that has net assets of at least Cdn\$5,000,000 as shown on its most recently prepared financial statements,

By initialing this box, the Subscriber confirms that it discussed this investment with _____ (name of salesperson) of _____ (name of firm of salesperson) and such salesperson explained the calculation of net assets and asked questions to confirm that the Subscriber met such threshold.

q. _____ a person (including a corporate entity) acting on behalf of a fully managed account^⑤ managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,

t. _____ a person (including a corporate entity) 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,^⑥

u. _____ an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,

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

x. _____ in Ontario, in any one of the following (please initial the applicable category):

_____ (a) a financial institution described in paragraph 1, 2 or 3 of subsection 73.1 (1) of Securities Act (Ontario),

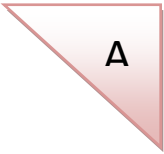
_____ (b) the Business Development Bank of Canada,

_____ (c) a subsidiary of any person or company referred to in clause (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

_____ (d) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations, *

_____ (e) the Government of Canada, the government of a province or territory of Canada, or any Crown Corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada,

_____ (f) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec,



- _____ (g) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- _____ (h) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada,
- _____ (i) a person or company that is recognized or designated by the Commission as an accredited investor.
- _____ (j) such other persons or companies as may be prescribed by the regulations;*

- ① For the purposes of NI 45-106 and this Certificate, the term "financial assets" means (a) cash; (b) securities or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation. **These financial assets are generally liquid or relatively easy to liquidate. The value of the Subscriber's personal residence or other real estate is not included in the calculations of financial assets.**
- ② For the purposes of NI 45-106 and this Certificate, the term "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.
- ③ Note that if the combined net income of both spouses does not exceed \$300,000, but the net income of one of the spouses exceeds \$200,000, only the spouse whose net income exceeds \$200,000 qualifies as an accredited investor under paragraph (k).
- ④ The net asset test under paragraph (l) means all of the Subscriber's total assets minus all of the Subscriber's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of the Subscriber's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the Subscriber's personal residence. The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of the Securities to the Subscriber.
- ⑤ For the purposes of NI 45-106 and this Certificate, the term "fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction.
- ⑥ In British Columbia, an indirect interest in a person means an economic interest in the person.
- * For the purposes of this Certificate, "regulations" means the regulations made under the *Securities Act* (Ontario) and, unless the context otherwise indicates, includes the rules made under section 143 of said Act and orders, rulings and policies listed in the Schedule to said Act.

The statements made in this Schedule are true and will be true on the Closing Date.

The Issuer may follow up with the Subscriber at the telephone number provided below in order to verify their accredited investor status by obtaining further information in order satisfy the Issuer's obligations under applicable securities laws.

Dated: _____

Name of Subscriber: _____

Signature of Subscriber: _____

Telephone number of Subscriber: _____

SCHEDULE A1

INDIVIDUAL ACCREDITED INVESTOR RISK ACKNOWLEDGEMENT FORM

WARNING!

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

Section 1 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**1. About your investment**

Type of Securities: Units comprised of one Common Share and one share purchase warrant	Issuer: FREIGHTERA LOGISTICS INC. (the "Issuer")
--	---

Purchased from: The Issuer	
----------------------------	--

Sections 2 to 4 – TO BE COMPLETED BY THE PURCHASER**2. Risk acknowledgement**

This investment is risky. Initial that you understand that:	Your Initials
---	----------------------

Risk of loss – You could lose your entire investment of \$ _____ [Insert total dollar amount of the Investment]	
---	--

Liquidity risk – You may not be able to sell your investments quickly – or at all.	
---	--

Lack of information – You may receive little or no information about your investment.	
--	--

Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.arettheyregistered.ca .	
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3. Accredited investor status

You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your Initials
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- | | |
|---|--|
| <ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) | |
|---|--|

- | | |
|--|--|
| <ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. | |
|--|--|

- | | |
|--|--|
| <ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. | |
|--|--|

- | | |
|---|--|
| <ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) | |
|---|--|

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and Last Name (please print):

Signature:

Date:

Section 5 – TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and Last Name of Salesperson (please print):	
Telephone:	Email:
Name of Firm (if registered):	
Section 6 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>For more information about this investment/ the Issuer: Contact FREIGHTERA LOGISTICS INC. Eric Beckwitt, CEO 200-375 Water Street Vancouver BC V6B 0M9 Canada Tel: 1-800-886-4870 Email: eric.beckwitt@freightera.com Website: https://www.freightera.com</p>	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .	

SCHEDULE B1

**CERTIFICATE OF FAMILY, FRIENDS AND BUSINESS ASSOCIATES
(NON-ONTARIO RESIDENTS)**

TO: FREIGHTERA LOGISTICS INC. (the "Issuer")

RE: SUBSCRIPTION FOR SECURITIES OF THE ISSUER

The undersigned Subscriber/duly authorized representative of the Subscriber (or in the case of a trust, the trustee or an officer of the trustee of the trust) hereby certifies that:

1. he/she has read the Subscription Agreement to which this Schedule B is attached and understands that the offering of the Securities is being made on a prospectus exempt basis;
2. the Subscriber is, or has a direct relationship with, _____ **[please insert name, and if this person is not the Subscriber, the person must sign this Schedule where indicated below]**, who is a director, executive officer^① or control person^② of the Issuer, or of an affiliate^③ of the Issuer;
3. if the Subscriber is a close personal friend^④ of such a director, executive officer or control person of the Issuer or of an affiliate of the Issuer, then the Subscriber has known such person for _____ *[length of time]* and is in contact with such aforementioned person on a _____ basis *[please indicate if daily/weekly/monthly/yearly/or longer basis]*;
4. if the Subscriber is a close business associate^⑤ of such a director, executive officer or control person of the Issuer or of an affiliate of the Issuer, then the Subscriber has known such person for _____ *[length of time]* and is in contact with such aforementioned person on a _____ basis *[please indicate if daily/weekly/monthly/yearly/or longer basis]*; and
5. the Subscriber is one of the following **(please underline relationship and place check mark beside "Issuer" or "Affiliate of Issuer", as applicable)**:

	Issuer (✓)	Affiliate ^③ of Issuer (✓)
(a) a director, executive officer ^① or control person ^② of the Issuer;		
(b) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer ^① or control person ^② of the Issuer;		
(c) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer ^① or control person ^② of the Issuer;		
(d) a close personal friend ^④ of a director, executive officer ^① or control person ^② of the Issuer;		
(e) a close business associate ^⑤ of a director, executive officer ^① or control person ^② of the Issuer;		
(f) a founder ^⑥ of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend ^④ or close business associate ^⑤ of a founder ^⑥ of the Issuer;		
(g) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder ^⑥ of the Issuer;		

Cont.	Issuer (✓)	Affiliate ^③ of Issuer (✓)
(h) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (g); or		
(i) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in paragraphs (a) to (g).		

- ① *For the purposes of NI 45-106 and this Certificate, an executive officer means, for an issuer, an individual who is: (a) a chair, vice-chair or president, (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or (c) performing a policy-making function in respect of the issuer;*
- ② *For the purposes of NI 45-106 and this Certificate, a person (first person) is considered to control another person (second person) if: (a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.*
- ③ *For the purposes of NI 45-106 and this Certificate, an issuer is an "affiliate" of another issuer if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person.*
- ④ *For the purposes of NI 45-106 and this Certificate, the term "close personal friend" is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The term "close personal friend" can include a family member who is not already specifically identified in the exemption if the family member satisfies the criteria described above. An individual is not a "close personal friend" solely because the individual is a relative; member of the same club, organization, association or religious group; a co-worker, colleague or associate at the same workplace; a client, customer, former client or former customer; a mere acquaintance; or connected through some form of social media, such as Facebook, Twitter or LinkedIn. The relationship between the individual and the director, executive officer, founder or control person must be direct. A relationship that is primarily founded on participation in an Internet forum would not be considered to be that of a "close personal friend".*
- ⑤ *For the purposes of NI 45-106 and this Certificate, the term "close business associate" is an individual who has had sufficient prior business dealings with the director, executive officer, founder or control person to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. An individual is not a "close business associate" solely because the individual is a member of the same club, organization, association or religious group; a co-worker, colleague or associate at the same workplace; a client, customer, former client or former customer; a mere acquaintance; or connected through some form of social media, such as Facebook, Twitter or LinkedIn. The relationship between the individual and the director, executive officer, founder or control person must be direct. A relationship that is primarily founded on participation in an Internet forum would not be considered to be that of a "close business associate".*
- ⑥ *For the purposes of NI 45-106 and this Certificate, the term "founder" means, in respect of an issuer, a person who, (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and, (b) at the time of the distribution or trade is actively involved in the business of the issuer.*

[Signature Page Appears on the Next Page]

The statements made in this Schedule are true and will be true on the Closing Date.

Dated: _____

Name of Subscriber: _____

Signature of Subscriber: _____

Telephone number of Subscriber: _____

NOTE: If you are a resident of Saskatchewan or otherwise subject to the laws of Saskatchewan and have completed Schedule B1, you must also complete the following page titled 'Risk Acknowledgement Form For Family, Friends And Business Associates (Saskatchewan Residents)'.

The following boxed disclosure is to be completed by the Issuer and not the Subscriber:

The undersigned hereby confirms that: (i) s/he has read this Schedule as completed and executed by the Subscriber; and (ii) the information in this Schedule with respect to the relationship between the undersigned and the Subscriber is correct to the best of the undersigned's knowledge.

Dated:
Signature:
Name of and relationship with Issuer (i.e. director, executive officer or control person)

SCHEDULE B1

RISK ACKNOWLEDGEMENT FORM FOR FAMILY, FRIENDS
AND BUSINESS ASSOCIATE INVESTORS

(SASKATCHEWAN RESIDENTS)

W A R N I N G

- I acknowledge that this is a risky investment.
 - I am investing entirely at my own risk.
 - No securities regulatory authority has evaluated or endorsed the merits of these securities.
 - The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
 - I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
 - I could lose all the money I invest.
 - I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ (state name), who is a _____ (state title i.e. founder, director, senior officer or control person) of

FREIGHTERA LOGISTICS INC.

I acknowledge that I am purchasing based on my close relationship with _____ (state name of founder, director, senior officer or control person) whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

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

Dated: _____

Print Name of Purchaser: _____

Signature of Purchaser: _____

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

You are buying Exempt Market Securities

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

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

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

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

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. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

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. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

I have read and understand the information detailed above.

Dated: _____

Print Name of Purchaser: _____

Signature of Purchaser: _____

SCHEDULE B2

**RISK ACKNOWLEDGEMENT FORM FOR FAMILY, FRIEND
AND BUSINESS ASSOCIATE INVESTORS
(ONTARIO RESIDENTS)**

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

Instructions for Form B2

1. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
2. *The purchaser, an Executive Officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the Issuer and the Issuer must receive a copy of this form signed by the purchaser. The Issuer is required to keep a copy of this form for 8 years after the distribution.*
3. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: Units comprised of one Common Share and one share purchase warrant	Issuer: FREIGHTERA LOGISTICS INC. (the "Issuer")
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk Acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____ <i>[Insert the total dollar amount of the investment.]</i>	
Liquidity Risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little to no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	

3. Family, friend or business associate status			
You must meet one of the following criteria to be able to make this investment. Initial the statement(s) that applies to you:			Your initials
A) You are			
1)	<i>[check all applicable boxes]</i>		
	<input type="checkbox"/>	a director or the issuer or an affiliate of the issuer	
	<input type="checkbox"/>	an executive officer of the issuer or an affiliate of the issuer	
	<input type="checkbox"/>	a control person of the issuer or an affiliate of the issuer	
	<input type="checkbox"/>	a founder of the issuer	

OR

2)	<i>[check all applicable boxes]</i>		Your initials
	<input type="checkbox"/>	a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
	<input type="checkbox"/>	a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	
B) You are a family member of _____ <i>[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>			
C) You are a close personal friend of _____ <i>[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.			
D) You are a close business associate of _____ <i>[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.			

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE	
5. Contact person at the Issuer or an affiliate of the Issuer	
<i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i>	
By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: <i>[check the box that applies.]</i>	
<input type="checkbox"/> family relationship as set out in section 3B of this form <input type="checkbox"/> close personal friendship as set out in section 3C of this form <input type="checkbox"/> close business associate relationship as set out in section 3D of this form	
First and last name of contact person <i>[please print]</i> :	
Position with the Issuer or affiliate of the Issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:
SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
Contact FREIGHTERA LOGISTICS INC. Eric Beckwitt, CEO 200-375 Water Street Vancouver BC V6B 0M9 Canada Tel: 1-800-886-4870 Email: eric.beckwitt@freightera.com Website: https://www.freightera.com	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.	
Signature of Executive Officer of the Issuer (other than the purchaser):	Date:

SCHEDULE C
CERTIFICATION OF U.S. PURCHASER

TO: FREIGHTERA LOGISTICS INC. (the "Issuer")

RE: SUBSCRIPTION FOR SECURITIES OF THE ISSUER

Capitalized terms not specifically defined in this certification have the meaning ascribed to them in the Subscription Agreement to which this Schedule C is attached. In the event of a conflict between the terms of this certification and such Subscription Agreement, the terms of this certification shall prevail.

In addition to the covenants, representations and warranties contained in the Subscription Agreement to which this Schedule C is attached, the undersigned Subscriber covenants, represents and warrants to the Issuer that:

- (a) It is (i) a U.S. Person or a person in the United States, as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (ii) authorized to consummate the purchase of the Securities.
- (b) It has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Securities and it is able to bear the economic risk of loss of its entire investment. To the extent necessary, the Subscriber has retained, at his or her own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of the Subscription Agreement and acquiring, holding or disposing of the Securities.
- (c) The Issuer has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and it has had access to such information concerning the Issuer as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities, including access to the Issuer's public filings available on the Internet at www.sedar.com, if any, and that any answers to questions and any request for information have been complied with to the Subscriber's satisfaction.
- (d) It is acquiring the Securities for its own account, or for the account of one or more persons for whom it is exercising sole investment discretion (for purposes of this Schedule C, a "Beneficial Purchaser"), for investment purposes only and not with a view to any resale, distribution or other disposition of the Securities in violation of the United States federal or state securities laws.
- (e) The address of the Subscriber set out on page 1 of the Subscription Agreement is the true and correct principal address of the Subscriber and can be relied on by the Issuer for the purposes of state blue-sky laws and the Subscriber has not been formed for the specific purpose of purchasing the Securities.
- (f) It understands that (i) the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be "restricted securities", as defined in Rule 144 under the U.S. Securities Act; (ii) the offer and sale of Securities contemplated hereby is being made in reliance on an exemption from such registration requirements in reliance on Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act; and (iii) subject to certain exceptions provided under the U.S. Securities Act, the Securities may not be transferred or exercised unless such Securities are registered under the U.S. Securities Act and applicable state securities laws, or unless an exemption from such registration requirements is available.
- (g) The Subscriber is, and if applicable, each Beneficial Purchaser for whose account it is purchasing the Securities is, an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act by virtue of meeting one of the following criteria (**please write "SUB" for the criteria the Subscriber meets and "BEN" for the criteria any persons for whose account or benefit the Subscriber is purchasing the Securities meet**):

1. Initials _____	A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or
2. Initials _____	A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

3. Initials _____	A broker or dealer registered pursuant to Section 15 of the United States <i>Securities Exchange Act of 1934, as amended</i> ; or
4. Initials _____	An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or
5. Initials _____	An investment company registered under the United States <i>Investment Company Act of 1940, as amended</i> ; or
6. Initials _____	A business development company as defined in Section 2(a)(48) of the United States <i>Investment Company Act of 1940, as amended</i> ; or
7. Initials _____	A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States <i>Small Business Investment Act of 1958, as amended</i> ; or
8. Initials _____	A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US\$5,000,000; or
9. Initials _____	An employee benefit plan within the meaning of the United States <i>Employee Retirement Income Security Act of 1974, as amended</i> in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or
10. Initials _____	A private business development company as defined in Section 202(a)(22) of the United States <i>Investment Advisers Act of 1940, as amended</i> ; or
11. Initials _____	An organization described in Section 501(c)(3) of the United States <i>Internal Revenue Code of 1986, as amended</i> , a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Securities offered, with total assets in excess of US\$5,000,000; or
12. Initials _____	Any director or executive officer of the Issuer; or
13. Initials _____	A natural person whose individual net worth, or joint net worth, with that person's spouse, exceeds US\$1,000,000 as determined on the following basis: (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of securities contemplated by the accompanying Subscription Agreement, shall not be included as a liability (except that if the amount of such indebtedness outstanding at such time exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; or
14. Initials _____	A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
15. Initials _____	A trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the Securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

16. Initials _____	Any entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an accredited investor).
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- (h) The Subscriber has not purchased the Securities as a result of any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
- (i) If the Subscriber decides to offer, sell, pledge or otherwise transfer any of the Securities, it will not offer, sell, pledge or otherwise transfer any of such Securities directly or indirectly, unless it is:
- (i) to the Issuer;
 - (ii) made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;
 - (iii) made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or
 - (iv) made in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,
- and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Issuer an opinion of counsel reasonably satisfactory to the Issuer stating that such transaction is exempt from registration under applicable securities laws and that the legends referred to in paragraph (1) below may be removed.
- (j) It understands and agrees that the Securities may not be acquired in the United States by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available.
- (k) It acknowledges that it has not purchased the Securities as a result of, and will not itself engage in, any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) in the United States in respect of the Securities which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the sale or resale of the Securities.
- (l) The certificates representing the Securities, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear, on the face of such certificate, the following or similar legend:

"THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

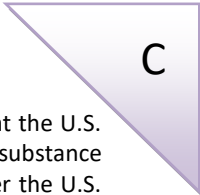
provided, that if the Securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S at a time when the Issuer is a "foreign issuer" as defined in Regulation S at the time of sale, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Issuer, in substantially the form set forth as Appendix A attached hereto (or in such other forms as the Issuer may prescribe from time to time) and, if requested by the Issuer or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Issuer and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and provided, further, that, if any Securities are being sold otherwise than in accordance with Regulation S and other than to the Issuer, the legend may be removed by delivery to the registrar and transfer agent and the Issuer of an opinion of counsel, of recognized standing reasonably satisfactory to the Issuer, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (l.2) It understands and agrees that any warrants forming part of the Securities may not be exercised in the United States or by or on behalf of a U.S. person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available and the holder has furnished an opinion of counsel of recognized standing in form and substance satisfactory to the Issuer to such effect, and that certificates representing such warrants will bear a legend to the following effect in addition to the legend stated in clause (l) of this Certificate of U.S. Purchaser:

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A "U.S. PERSON" OR A PERSON IN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE, OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

provided, that the Subscriber will not be required to deliver a legal opinion in connection with its exercise of such warrants purchased hereunder for its own account or for the account of the Beneficial Purchaser named in this Subscription Agreement, if any, for investment purposes, at a time when each of the Subscriber and, if applicable, the Beneficial Purchaser, remains an "accredited investor" as defined in Rule 501 under the U.S. Securities Act.

- (m) It understands and agrees that there may be material tax consequences to the Subscriber of an acquisition, holding, disposition, or exercise of any of the Securities. The Issuer gives no opinion and makes no representation with respect to the tax consequences to the Subscriber under United States, state, local or foreign tax law of the undersigned's acquisition, holding, disposition, or exercise of such Securities; in particular, no determination has been made whether the Issuer will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, amended.
- (n) It understands and acknowledges that the Issuer is incorporated outside the United States, that some or all of its directors and officers and certain of its properties are located outside the United States. Consequently, it may be difficult to provide service of process on the Issuer and its directors and officers, and it may be difficult to enforce any judgment against the Issuer and its directors and officers.
- (o) It understands that (i) the Issuer may be deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "Shell Company"), (ii) if the Issuer is deemed to be, or to have been at any time previously, a Shell Company, Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (iii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities.
- (p) It understands and agrees that the financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.
- (q) It consents to the Issuer making a notation on its records or giving instructions to any transfer agent of the Issuer in order to implement the restrictions on transfer set forth and described in this certification and the Subscription Agreement.



- (r) It understands that the Securities are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission (the "SEC") provide in substance that the Subscriber may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and, other than as set out herein, the Subscriber understands that the Issuer has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder). Accordingly, the Subscriber understands that absent registration, under the rules of the SEC, the Subscriber may be required to hold the Securities indefinitely or to transfer the Securities in transactions which are exempt from registration under the U.S. Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Subscriber. As a consequence, the Subscriber understands that it must bear the economic risks of the investment in the Securities for an indefinite period of time.
- (s) It understands and acknowledges that the Issuer (i) is not obligated to remain a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act, (ii) may not, at the time the Securities are resold by it or at any other time, be a foreign issuer and (iii) may engage in one or more transactions which could cause the Issuer not to be a foreign issuer, and if the Issuer is not a foreign issuer at the time of the sale or transfer of the Securities pursuant to Rule 904 of Regulation S, the certificates representing the Securities may continue to bear the legend described above.
- (t) It has no intention to distribute, and shall not transfer, either directly or indirectly any of the Securities to any person within the United States or to U.S. persons except pursuant to an effective registration statement under the U.S. Securities Act, or an exemption therefrom.
- (u) It understands that no agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC or any state securities commission) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect, to the Securities.
- (v) If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Issuer in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Issuer.
- (w) It understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by the Issuer in determining its eligibility to acquire the Securities. It understands that the representations, warranties and covenants made by the Subscriber in this certification will form the basis of the exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the issuance of the Securities.

ONLY U.S. PURCHASERS NEED COMPLETE AND SIGN

Dated _____

Signature of individual (if Subscriber is an individual)

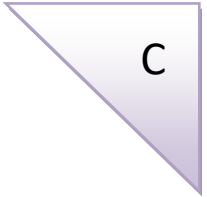
Name of Subscriber if an individual (**please print**)

Authorized signatory (if Subscriber is **not** an individual)

Name of Company if **not** an individual

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)



**Appendix A to
CERTIFICATION OF U.S. PURCHASER**

Form of Declaration for Removal of Legend

TO: **FREIGHTERA LOGISTICS INC. (the "Corporation")**

TO: Registrar and transfer agent for the shares of the Corporation

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act); (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange, Canadian Securities Exchange, the Toronto Stock Exchange or a "designated offshore securities market" as defined in Regulation S and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____

Signature of individual (if Subscriber is an individual)

Name of Subscriber if an individual (**please print**)

Authorized signatory (if Subscriber is **not** an individual)

Name of Company if **not** an individual

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to the sale, for such Seller's account, of the _____ represented by certificate number _____ of the Corporation described therein, and we hereby affirm that, to the best of our knowledge and belief, the facts set forth therein are full, true and correct.

Name of Firm:	Signed by:
Date:	(Authorized Officer) Print Name:

SCHEDULE "D"**OFFSHORE SUBSCRIBER CERTIFICATE**

TO: FREIGHTERA LOGISTICS INC. (the "Corporation")

In connection with the proposed purchase of the Units of the Corporation, the undersigned represents and warrants that the undersigned has read the following definitions of an "accredited investor" as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* and certifies, represents and warrants that:

1. the Purchaser is resident in a jurisdiction outside Canada and the United States (the "**International Jurisdiction**") or is otherwise subject to the laws of an International Jurisdiction;
2. the Purchaser complies with the requirements of all applicable securities laws in the applicable International Jurisdiction and will provide such evidence of compliance with all such matters as the Corporation may request;
3. upon execution of this Offshore Subscriber Certificate by the Purchaser, this Offshore Subscriber Certificate shall be incorporated into and form a part of the Subscription Agreement;
4. the Purchaser is: (circle (a) or (b))
 - (a) purchasing the Units as principal for its own account and not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Units (or the Shares or Warrants included in the Units); or
 - (b) acting as agent for one or more beneficial purchasers disclosed (the "Disclosed Purchaser") on the cover page of the Subscription Agreement, each Disclosed Purchaser is purchasing as principal for its own account and not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Units (or the Shares or Warrants included in the Units);
5. the Purchaser is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction having application or jurisdiction over the Subscriber and which would apply to the acquisition of the Units;
6. the Purchaser is purchasing the Units pursuant to exemptions from prospectus, registration or similar requirements under applicable securities laws or, if such is not applicable, the Purchaser is permitted to purchase the Units under the applicable securities laws of the International Jurisdiction without the need to rely on exemptions, and the Corporation does not have any filing obligations in that International Jurisdiction;
7. applicable laws of International Jurisdictions do not require the Corporation to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in that International Jurisdiction in connection with the issue and sale or resale of the Units acquired by the Purchaser pursuant to the terms of the Subscription Agreement; and
8. the Purchaser, or each Disclosed Purchaser for whom the Purchaser is acting, is an "accredited investor" on the basis that the undersigned fits within the category of an "accredited investor" reproduced below beside which the undersigned has indicated the undersigned belongs to such category; **[check one or more]:**

- (a) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (b) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000 CAD;
- (c) an individual whose net income before taxes exceeded \$200,000 CAD in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 CAD 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;
- (d) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000 CAD;
- (e) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 CAD as shown on its most recently prepared financial statements;
- (f) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities pursuant to the Minimum Amount Investment exemption or the Additional Investment in Investment Funds exemption, or (iii) a person described in (i) or (ii) above that acquires or acquired securities pursuant to the Investment Fund Reinvestment exemption;
- (g) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (h) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (i) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (j) a person or an entity organized in a International Jurisdiction that is analogous to any of the following persons or entities in form and function:
 - (i) a Canadian financial institution, or a Schedule III Bank in Canada;
 - (ii) the Business Development Bank of Canada;
 - (iii) a subsidiary of any person referred to in items (i) or (ii), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
 - (iv) a person registered under the securities legislation of a jurisdiction as an adviser or dealer; or
 - (v) a pension fund that is regulated by a government authority in the International Jurisdiction similar to the Office of the Superintendent of Financial Institutions (Canada), or a pension commission or similar regulatory authority in the International Jurisdiction;
- (k) 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 described in this section;
- (l) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- (m) a person that is recognized or designated by the securities regulatory authority of the International Jurisdiction as an accredited investor (or similar type of investor).

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

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

“Additional Investment in Investment Funds exemption” refers to the following exemption:

The prospectus requirement does not apply to a distribution by an investment fund or the investment fund manager of the fund, of a security of the investment fund’s own issue to a security holder of the investment fund if

- the security holder initially acquired securities of the investment fund as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of the distribution,
- the distribution is in respect of a security of the same class or series as the securities initially acquired as described in subsection (i), and
- the security holder, as at the date of the distribution, holds securities of the investment fund that have an acquisition cost of not less than \$150,000, or a net asset value of not less than \$150 000.

“Canadian financial institution” means

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central credit society for which an order has been made under section 473(1) of that Act, or
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

“control person” has the same meaning as in securities legislation;

“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;

“eligibility adviser” means a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed;

“executive officer” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- (c) performing a policy-making function in respect of the issuer;

“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;

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada;

“founder” means, in respect of an issuer, a person who,

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (b) at the time of the trade is actively involved in the business of the issuer;

“fully managed account” means an account of a client for which a person makes the investment decision if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

“investment fund” means a mutual fund or a non-redeemable investment fund;

“Investment Fund Reinvestment exemption” refers to the following exemption:

- (a) Subject to subsections (c), (d), (e) and (f) of this definition, the prospectus requirement does not apply to the following distribution by an investment fund, and the investment fund manager of the fund, to a security holder of the investment fund if the distributions are permitted by a plan of the investment fund:
 - (i) a distribution of a security of the investment fund’s own issue if dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the investments fund’s securities is applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions out of earnings, surplus, capital or other sources are attributable, and
 - (ii) subject to subsection (b), a distribution of a security of the investment fund’s own issue if the security holder makes optional cash payments to purchase the security of the investment fund that is of the same class or series of securities described in paragraph (i) that trade on a marketplace.
- (b) The aggregate number of securities issued under the optional cash payment referred to in subsection (a) (ii) must not exceed, in any financial year of the investment fund during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.
- (c) A plan that permits the trades described in subsection (a) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.
- (d) A person must not charge a fee for a distribution described in subsection (a).
- (e) An investment fund that is a reporting issuer and is a continuous distribution must set out in its current prospectus (i) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security, (ii) any right that the security holder has to make an election to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund, and (iii) instructions on how the right referred to in paragraph (ii) can be exercised.
- (f) An investment fund that is a reporting issuer and is not in continuous distribution must provide the information required by subsection (e) in its prospectus, annual information form or a material change report.

“jurisdiction” or **“jurisdiction of Canada”** means a province or territory of Canada except when used in the term foreign jurisdiction;

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

- (a) The prospectus requirement does not apply in respect of a trade in a security to a person if
 - (i) that person purchases as principal;
 - (ii) the security has an acquisition cost to the purchaser of not less than \$150,000 paid in cash at the time of the distribution; and
 - (iii) 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” 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;

“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
- (iii) 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;

“regulator” means, for the local jurisdiction, the person referred to in Appendix D of National Instrument 14-101, opposite the name of the local jurisdiction;

“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;

“Schedule III bank” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

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

“spouse” means, an individual who,

- (a) is married to another individual and is not living separate and apart 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) is an adult interdependent partner.);

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

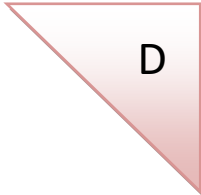
For the purpose hereof, an issuer is an affiliate of another issuer if

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

For the purpose hereof, a person (first person) is considered to control another person (second person) if

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

The foregoing representation and warranty is true and accurate as of the date of this certificate and will be true and accurate as of the Closing Date of the offering of the Units as set forth in the attached Subscription Agreement. If any such representation or warranty shall not be true and accurate prior to Closing Date, the undersigned shall give immediate written notice of such fact to the Corporation.



Date:

Signed

Signature of Witness (If Purchaser is an Individual)

Print Name of Purchaser

Print Name of Witness

If Purchaser is a Corporation,
Print Name and Title of
Authorized Signing Officer

APPENDIX I
TERMS AND CONDITIONS OF SUBSCRIPTION FOR SECURITIES
of FREIGHTERA LOGISTICS INC.

All capitalized terms not defined herein shall have the meaning given to them in the Subscription Agreement to which this Appendix I is attached (the "**Subscription Agreement**"). The Subscriber hereby unconditionally and irrevocably subscribes for and agrees to purchase the Securities described on page 1 upon and subject to the following terms and conditions:

1. **The Private Placement.** The Subscriber acknowledges that the Subscriber's Securities will be issued in connection with a private placement offering of Securities (the "**Private Placement**"). The Subscriber acknowledges that finders' fees may be payable by the Issuer in connection with the Private Placement in cash and/or in securities of the Issuer. The Subscriber acknowledges that upon closing of this Subscription Agreement by the Issuer, the subscription funds received by the Issuer are immediately available for use by the Issuer.
2. **Conditions and Closing.** This Agreement shall be subject to acceptance by the Issuer and, if applicable, the approval by the stock exchange(s) or regulatory authority(ies) having jurisdiction with respect to the Issuer (collectively, the "**Regulatory Authorities**"). The Securities will be allotted and issued to the Subscriber on such date as the Issuer shall determine (the "**Closing Date**"). If the Issuer rejects this subscription then the Purchase Price will be repaid forthwith to the Subscriber without interest, less any necessary bank or wire transfer fees.

Prior to the Closing Date, the Subscriber must deliver payment in full for the Purchase Price by certified cheque, bank draft, by wire transfer, or any other form of payment accepted by the Issuer, using the instructions provided on the cover page to this Subscription Agreement.

The Private Placement is not subject to any minimum or maximum aggregate offering and there can be no guarantees that the Issuer will raise sufficient funds to meet its present or future objectives.

This Subscription Agreement will be subject to acceptance by the Issuer, who may accept or reject, in whole or in part, this subscription of Securities for any reason. If the Issuer rejects this subscription, then the Purchase Price will be repaid forthwith to the Subscriber without interest, less any necessary bank, cheque or wire transfer fees.

3. **Termination by Subscriber.** If the Closing Date does not occur by 4:00 p.m. (Pacific Time) on the date that is 60 days after the date the Subscriber delivers this Agreement and the Purchase Price to the Issuer in accordance herewith, the Subscriber may give fifteen (15) days' written notice to the Issuer of its intention to terminate this Agreement. If the Closing Date does not occur within fifteen (15) days of the date of receipt by the Issuer of such notice, then this Agreement shall terminate and the entire Purchase Price or any part thereof advanced to the Issuer hereunder shall be repaid forthwith to the Subscriber without interest, less any necessary bank or wire transfer fees. Unless as otherwise specified herein, the Subscriber agrees that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber without the express written consent of the Issuer.
4. **Disclosure.** No person has made to the Subscriber any written or oral representations (i) that any person will resell or repurchase the Securities, (ii) that any person will refund the purchase price for the Securities, (iii) as to the future price or value of the Securities, or (iv) that the Securities will be listed and posted for trading on any stock exchange or that application has been made to list the Shares or Warrants of the Issuer on any stock exchange.
5. **Risks of Private Placement.** The Subscriber acknowledges that:
 - (a) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
 - (b) there is no government or other insurance covering the Securities;
 - (c) there are risks associated with the purchase of the Securities;
 - (d) there are restrictions on the Subscriber's ability to resell the Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Securities; and

- (e) the Issuer has advised the Subscriber that the Issuer is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Securities through a person registered to sell securities under the *Securities Act* (British Columbia) (the "**Act**") and such other applicable laws and no prospectus will be filed by the Issuer with any securities commission or regulatory authority in Canada and, as a consequence of acquiring the Securities pursuant to these exemptions, certain protections, rights and remedies provided by the Act and such other applicable laws, including statutory rights of rescission or damages, will not be available to the Subscriber and the Subscriber will not receive information that would otherwise be required to be provided to it under the Act and the Issuer is relieved from certain obligations that would otherwise apply under the Act.

6. **Purchasing as Principal.** The Subscriber represents and warrants that the Securities are not being purchased with a view to resale or distribution in contravention of applicable securities laws or as part of a series of transactions involving further purchases and sales of the Securities and:

- (a) the Securities are being purchased by the Subscriber as principal for its own account and not for the benefit of any other person or the Subscriber is deemed to be purchasing as principal under section 2.3 of NI 45-106 by virtue of being a trust company or trust corporation described in paragraph (p) of, or by virtue of being a person described in paragraph (q) of, the definition "accredited investor" in section 1.1 of NI 45-106; or
- (b) the Securities are being purchased by the Subscriber as agent for the principal disclosed on page 1 of this Agreement and the Subscriber is not deemed to be purchasing as principal under section 2.3 of NI 45-106 by virtue of being a trust company or trust corporation described in paragraph (p) of, or by virtue of being a person described in paragraph (q) of, the definition "accredited investor" in section 1.1 of NI 45-106, and the Securities are being acquired by such principal as principal, the Subscriber is the principal's agent with proper authority to execute all documents in connection with this purchase on behalf of such principal and the representations, warranties, acknowledgments and covenants of the Subscriber herein (including any Schedules hereto), excluding this paragraph (b), are also hereby given with respect to such principal, except that representations with respect to the Subscriber's residential address are deemed to be references to the disclosed address of the disclosed principal on page 1 of this Agreement..

7. **Capacity, Authority and Compliance.** The Subscriber represents and warrants that:

- (a) if the Subscriber is not an individual, it was not created and is not being used solely to purchase or hold securities as (i) an "accredited investor" as described in Schedule A, Certificate of Accredited Investor, or (ii) in reliance on the \$150,000 minimum amount investment exemption from the prospectus requirement set out in section 2.10(1) of NI 45-106;
- (b) if the Subscriber is a corporation, the Subscriber is a valid and subsisting corporation, has the necessary corporate capacity and authority to enter into and to observe and perform its covenants and obligations under this Agreement and has taken all necessary corporate action in respect thereof;
- (c) if the Subscriber is a partnership, syndicate or other unincorporated form of organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Agreement and perform its covenants and obligations hereunder and has obtained all necessary approvals thereof;
- (d) if the Subscriber is an individual, he or she has attained the age of majority and is legally competent to execute this Agreement and to take all actions required pursuant hereto,
- (e) the entering into of this Agreement and the transactions contemplated hereby will not result in the violation of any terms or provisions of any law applicable to, or, if applicable, the constating documents of, the Subscriber, or any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (f) the Subscriber is not acquiring the Securities as a result of being aware of any material information about the affairs of the Issuer that has not been publicly disclosed, and

- (g) the Subscriber is not one of a combination of shareholders of the Issuer or investors in the Private Placement (including by acting jointly or in concert with any such shareholder or investor) as a consequence of which the issuance of Securities to the Subscriber hereunder (assuming the exercise of any warrants, options and/or any convertible securities of the Issuer currently held by, the Subscriber and any such other shareholders or investors, including the exercise of warrants held hereunder) will result in, or be part of a transaction that will result in, the creation of a "control block holder" as defined under Canadian securities laws.
8. **Binding and Enforceable.** The Subscriber represents and warrants that this Agreement has been validly executed by the Subscriber and, upon acceptance by the Issuer of this Agreement, this Agreement will constitute a legal, valid and binding contract of the Subscriber, enforceable against the Subscriber in accordance with its terms.
9. **No Offering Memorandum or Advertising.** The Subscriber acknowledges that the Subscriber has not been furnished with, nor does it need to receive, an offering memorandum or other document prepared by the Issuer describing its business or affairs, in order to assist it in making an investment decision in respect of the Securities, and, except for this Agreement, no other documents have been delivered or otherwise furnished to the Subscriber in connection with such offering and sale. The Subscriber represents and warrants that the Subscriber did not become aware of the offering and sale of the Securities as a result of, nor has it seen, any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising. The Subscriber further acknowledges that no person has represented that such person or another person will resell or repurchase any of the Subscriber's Securities or refund all or any of the purchase price of such securities, and that no person has given an undertaking relating to the future value or price of any such securities.
10. **Knowledge and Experience.** The Subscriber represents and warrants that the Subscriber has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder and is able to bear the economic risk of loss of such investment.
11. **No U.S. Registration.** The Subscriber is aware and accepts that the Securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and, subject to certain exemptions, may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person. "**U.S. Person**" has the meaning set forth in Rule 902 of Regulation S under the U.S. Securities Act. The Subscriber acknowledges that, subject to certain exceptions provided under the U.S. Securities Act, the Securities may not be offered, sold, pledged or otherwise transferred to, or exercised by, any person in the United States or any U.S. Person or person acting for the account or benefit thereof. "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
12. **Residence.** The Subscriber represents and warrants that the Subscriber is a resident of, or if not an individual, has a head office or is otherwise subject to the laws of, the jurisdiction disclosed under "Subscriber's Information and Signature" on page 1 of this Agreement, and that such address is the residence of the Subscriber or the place of business of the Subscriber at which the Subscriber received and accepted the offer to acquire the Securities and was not created or used solely for the purpose of acquiring the Securities.
13. **Future Financings.** The Subscriber acknowledges that the Issuer may complete additional financings at prices, on terms and in amounts as may be determined by the Issuer, from time to time in the future and that any such future financings may have a dilutive effect on current securityholders, including the Subscriber but there is no assurance that such financings will be available on reasonable terms or at all.
14. **Issuer's Right to Issue Certificated or Uncertificated Securities.** The Subscriber acknowledges that the Issuer may elect to issue the Securities in uncertificated form in accordance with applicable laws.

15. **Canadian Exemptions (All Subscribers).** Whether the Subscriber is or is not a resident of or incorporated under or otherwise subject to the securities laws of Canada or any Province or Territory of Canada, the Subscriber represents and warrants that it is purchasing the Securities under one of the following exemptions:
- (a) the Subscriber is not an individual and is acquiring Securities with an aggregate Purchase Price of Cdn\$150,000 or more and purchases as principal;; or
 - (b) the Subscriber is an accredited investor as defined in NI 45-106 and the Subscriber has properly completed and duly executed the Certificate of Accredited Investor attached hereto as Schedule A indicating the means by which the Subscriber is an accredited investor, and if the Subscriber has selected categories (j), (k) and/or (l) under Schedule A, the Subscriber has also completed Schedule A1 - Individual Accredited Investor Risk Acknowledgment Form; or
 - (c) the Subscriber meets one of the following requirements:
 - (i) the Subscriber is not a resident in or otherwise subject to the laws of Ontario and has completed and executed, the Certificate of Family, Friends and Business Associates attached hereto as Schedule B and if the Subscriber is resident in or otherwise subject to the laws of Saskatchewan the Subscriber has also properly completed and duly executed the Risk Acknowledgment attached as Schedule B1; or
 - (ii) the Subscriber is resident in or otherwise subject to the laws of Ontario, and the Subscriber meets the requirements set forth in, and has completed and executed, the Certificate of Family, Friends and Business Associates attached hereto as Schedule B2;

and in respect of each of the above subparagraphs, the Subscriber hereby confirms the truth and accuracy of all statements made therein by the Subscriber and that such statements will be true and accurate on the Closing Date.

16. **U.S. Representations & Warranties (All Subscribers).** Unless the Subscriber has completed and executed the Certification of U.S. Purchaser attached hereto as Schedule C, the Subscriber represents and warrants that the Subscriber:
- (a) is not, and is not purchasing the Securities for the account or benefit of, a person in the United States or a U.S. Person (as defined above);
 - (b) was not offered the Securities in the United States;
 - (c) did not execute or deliver this Agreement in the United States;
 - (d) that the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act;
 - (e) has no intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the U.S. Securities Act and any applicable securities laws of any state of the United States;
 - (f) understands and agrees that any warrants issued hereunder may not be exercised in the United States or by, or for the account or benefit of, a U.S. Person or a person in the United States unless such warrants and underlying shares are registered under the U.S. Securities Act and any applicable securities laws of any state of the United States or an exemption is available from such registration requirements and the holder delivers a written opinion of legal counsel satisfactory to such effect; and
 - (g) the Securities were not purchased as a result of any form of directed selling efforts (as such term is used in Regulation S under the U.S. Securities Act) or general solicitation or general advertising (as such terms are defined under Rule 502(c) of Regulation D under the U.S. Securities Act), and the sale of the Securities was not accompanied by any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or telecommunications, including

electronic display and the Internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

17. **U.S. Resale Restrictions and Legend.** Subscribers resident in or otherwise subject to the securities laws of the United States acknowledge that the certificates representing the Subscriber's Securities will be endorsed with the legends contemplated by the Certification of U.S. Purchaser attached hereto as Schedule C.
18. **Subscribers Resident in Other Jurisdictions.** If the Subscriber is not a resident of one of the foregoing jurisdictions (Canada and the United States), the Subscriber represents and warrants to the Issuer that the Subscriber:
 - (a) is knowledgeable of, or has been independently advised as to, the applicable laws, including securities laws of the Subscriber's jurisdiction of residence that would apply to this subscription, if there are any;
 - (b) is purchasing the Securities pursuant to exemptions from any substantive or procedural requirements under the applicable laws, including securities laws of the Subscriber's jurisdiction of residence or, if such is not applicable, the Subscriber is permitted to purchase the Securities under the applicable securities laws of the Subscriber's jurisdiction of residence without the need to comply with any substantive or procedural requirements of any kind whatsoever in the Subscriber's jurisdiction of residence;
 - (c) will, if requested by the Issuer, deliver to the Issuer a certificate or opinion of local counsel from the Subscriber's jurisdiction of residence which will confirm the matters referred to in subparagraph (b) above to the satisfaction of the Issuer, acting reasonably;
 - (d) confirms that the applicable securities laws of the Subscriber's jurisdiction do not require the Issuer to make any filings or seek any approvals of any nature whatsoever from any governmental authority, regulatory authority or stock exchange of any kind whatsoever in the Subscriber's jurisdiction in connection with the issue and sale or resale of the Securities; and
 - (e) confirms that the purchase of the Securities by the Subscriber does not trigger:
 - (i) an obligation to prepare and file a registration statement, prospectus or similar document, or any other report with respect to such purchase in the Subscriber's jurisdiction; or
 - (ii) continuous disclosure reporting obligations of the Issuer in the Subscriber's jurisdiction.
19. **Resale Restrictions and Legends.** The Subscriber understands and acknowledges that the Securities will be subject to certain resale and transfer restrictions under applicable securities laws and stock exchange policies, as applicable. The Subscriber acknowledges that it has been advised to consult its own legal advisors with respect to applicable resale and transfer restrictions, that it is solely responsible for complying with such restrictions and the Subscriber covenants and agrees to comply with all other applicable resale and transfer restrictions. The Subscriber acknowledges and agrees that the Issuer shall make a notation on its records or give instructions to the transfer agent of the Securities in order to implement the restrictions on transfer set out in applicable securities laws by adding any legend or notation required under applicable securities laws on the certificate(s) or other evidence representing the Securities. The Subscriber also understands and acknowledges that the Securities may be subject to certain escrow provisions imposed under applicable securities laws or the policies and rules of a stock exchange or public quotation system on which the Securities may be listed or quoted.
20. **No Reliance.** In connection with the Subscriber's investment in the Securities, the Subscriber acknowledges and agrees that it has not relied upon the Issuer for investment, legal or tax advice and has, in all cases, sought the advice of the Subscriber's own personal investment advisor, legal counsel and tax adviser or has waived its rights to consult such professional advisors and the Subscriber is either experienced in or knowledgeable with regard to the affairs of the Issuer or either alone or with its professional advisors is capable, by reason of knowledge and experience in financial and business matters in general, and investments in particular, of evaluating the merits and risks of an investment in the Securities and is able to bear the economic risk of the investment and it can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment in the Securities. The Subscriber represents and warrants that its decision to tender this offer and purchase the Securities

has not been made as a result of any verbal or written representation as to fact, covenant or otherwise made by or on behalf of the Issuer or any other person and is based entirely upon this Subscription Agreement.

21. **Escrow and Appointment of Attorney-in-Fact.** If the Issuer completes a going public transaction by way of a reverse-takeover, merger, initial public offering, non-offering prospectus filing, or any other similar transaction, of its common shares (the “**Going Public Transaction**”), the Securities may be required to be pooled or escrowed, either at the request of the Issuer’s selling agent or underwriter, or pursuant to applicable securities legislation as amended from time to time and regulations and rules prescribed thereto, pursuant to the policies of the applicable securities commissions, pursuant to the policies of a stock exchange or trading or quotation system on which the Issuer may seek to list its securities, or any other securities regulatory body having jurisdiction. The Subscriber agrees to sign any such pooling or escrow agreement and abide by any such restrictions as may be so imposed. In furtherance of this covenant, the Subscriber hereby irrevocably appoints the Chief Executive Officer and any director (whomever they may be from time to time) of the Issuer as his or her attorney-in-fact and authorizes him as his or her attorney-in-fact to approve and sign a pooling or escrow or escrow agreement on behalf of the Subscriber to provide for pooling or escrow of the Securities, as the case may be.
22. **Shareholders’ Agreement.** The Subscriber acknowledges that by entering into this Agreement, s/he/it may be subject to any shareholders’ agreement in place or be requested to enter into such shareholders’ agreement as a condition before the Issuer accepts the Subscriber’s subscription of the Securities.
23. **Acceptance by Issuer.** The Subscriber acknowledges that the Issuer will have the right to accept this subscription offer in whole or in part and the acceptance of this subscription offer will be conditional upon the sale of the Securities to the Subscriber or the disclosed principal, as the case may be, being exempt from the prospectus and registration requirements under applicable relevant securities legislation. The Issuer’s acceptance of the subscription herein shall be indicated by executing a copy of this Agreement, and shall be effective as of the date therein specified. The Issuer is under no obligation to accept this subscription.
24. **Indemnity.** The Subscriber agrees to indemnify and hold harmless the Issuer and its directors, officers, employees, agents, lawyers, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Issuer in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Issuer in connection herewith. The Subscriber undertakes to immediately notify the Issuer of any change in any statement or other information relating to the Subscriber set forth herein or in any document delivered herewith, which takes place prior to the Closing Date.
25. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any legal counsel retained by the Subscriber) relating to the sale of the Securities to the Subscriber shall be borne by the Subscriber.
26. **Governing Law and Attornment.** This Agreement and all related agreements between the parties hereto shall be governed by and construed in accordance with the laws of the Province of British Columbia, without reference to its rules governing the choice or conflict of laws. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of British Columbia, sitting in the city of Vancouver, with respect to any dispute to or arising out of this Agreement.
27. **Further Assurances.** The Subscriber and the Issuer agree that they each will execute or cause to be executed and deliver or cause to be delivered all such further and other documents and assurances, and do and cause to be done all such further acts and things as may be necessary or desirable to carry out this Agreement according to its true intent, and to secure the approval of the Regulatory Authorities and comply with applicable laws. . If required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Issuer in filing, such reports, undertakings and other documents with respect to the issue of the Securities as may be required.

28. **Consent to the Disclosure of Information.** This Agreement and the attachments hereto require the Subscriber to provide certain personal information to the Issuer. Such information is being collected by the Issuer for the purposes of completing the Private Placement of the Securities and the issuance (and the issuance of any underlying shares), which includes, without limitation, determining the Subscriber's eligibility to purchase the Subscriber's Securities under applicable securities legislation, preparing and registering any certificates representing the Subscriber's Securities (including any shares underlying the Securities) to be issued to the Subscriber, completing filings required by applicable stock exchanges (collectively, the "Exchange") or other Regulatory Authorities, indirect collection of information by the Exchange or Regulatory Authorities under authority granted in applicable securities legislation and the administration and enforcement of the applicable securities legislation by the Regulatory Authorities. The Subscriber acknowledges and agrees that the Issuer may be required by law or otherwise to disclose to securities regulatory authorities the identity of the Subscriber and if applicable the beneficial purchaser for whom the Subscriber may be acting and that the Subscriber's personal information including the Subscriber's full name, residential address, telephone number and other details of its subscription hereunder will be disclosed by the Issuer to: (a) the Exchanges and other Regulatory Authorities; (b) the Issuer's registrar and transfer agent, if any; and (c) any of the other parties involved in the Private Placement, including legal counsel to the Issuer; and may be disclosed by the Issuer to: (d) the Canada Revenue Agency; and (e) any other person to whom it is required to disclose such information under applicable legislation or authority. By executing this Agreement, the Subscriber consents to and authorizes the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber also consents to and authorizes the filing of copies or originals of any of this Agreement (including attachments) below as may be required to be filed with the Exchange or other Regulatory Authorities in connection with the transactions contemplated hereby. In addition, the Subscriber consents to and authorizes the collection, use and disclosure of all such personal information by the Exchange and other Regulatory Authorities in accordance with their requirements, including the provision to third party service providers, from time to time. The contact information for the officer of the Issuer who can answer questions about this collection of information is set out on the instructions page of this Agreement. For Subscribers with questions about the collection of Personal Information by the Ontario Securities Commission, please contact the Administrative Support Clerk, Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8, Tel: (416) 593-3684. The Subscriber agrees that the Issuer may be required by law or otherwise to disclose to securities regulatory authorities the identity of the Subscriber and if applicable the beneficial purchaser for whom the Subscriber may be acting.
29. **Proceeds of Crime.** The Subscriber represents and warrants that no portion of the Purchase Price to be advanced by the Subscriber to the Issuer hereunder will represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLA") and the Subscriber acknowledges that the Issuer may in the future be required by law to disclose the Subscriber's name and other information relating to this Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of the knowledge of the Subscriber: (i) no portion of the Purchase Price to be provided by the Subscriber (A) has been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States or any other jurisdiction, or (B) is being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and to provide the Issuer with appropriate information in connection therewith.
- The funds representing the purchase price for the Securities which will be advanced by the undersigned to the Issuer will not and do not represent proceeds of crime for the purposes of the United States *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "PATRIOT Act"), and the undersigned acknowledges that the Issuer may in the future be required by law to disclose the undersigned's name and other information relating to the undersigned's subscription for Securities, on a confidential basis, pursuant to the PATRIOT Act. No portion of the purchase price to be provided by the undersigned: (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States, or any other jurisdiction; or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and the undersigned shall promptly notify the Issuer if the undersigned discovers that any of such representations ceases to be true and provide the Issuer with appropriate information in connection therewith.
30. **Survival of Representations and Warranties.** The Subscriber agrees that the representations, warranties, covenants and acknowledgements contained in this Subscription Agreement will be true and correct both as of the execution of this subscription and as of the day of Closing.

31. **Notice.** Documents will be considered to have been delivered (i) on the date of transmission, if delivered by fax or e-mail, (ii) the date of delivery, if delivered by hand during normal business hours or by prepaid courier, or (iii) five business days after the date of mailing, if delivered by mail, to the Issuer at the address set forth on the instructions page hereof and to the Subscriber at the residential address of the Subscriber set forth on page 1 of this Agreement.
32. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties in respect of the subject matter hereof and supersedes any and all prior agreements, representations, warranties or covenants, express or implied, written or verbal, except as may be expressed herein.
33. **Currency.** All references to currency herein are to lawful money of Canada.
34. **Survival of Terms.** All representations, warranties, agreements and covenants made or deemed to be made by the Subscriber herein will survive the execution and delivery, and acceptance, of this offer and the closing of the issue of the Securities contemplated hereby, notwithstanding the completion of the purchase and sale of the Securities, the conversion or exercise thereof and any subsequent disposition thereof by the Subscriber.
35. **Instrument in Writing.** Subject to the terms hereof, neither this Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.
36. **Assignment and Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators and successors. This Agreement cannot be assigned without the written consent of the parties.
37. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and all of which together shall constitute one and the same document. If less than a complete copy of this Agreement is delivered to the Issuer by the Subscriber (other than the execution pages of this Agreement required to be executed by the Subscriber), the Issuer and its advisers are entitled to assume, and the Subscriber shall be deemed to have represented and warranted to the Issuer, that the Subscriber accepts and agrees to all of the terms and conditions of the pages of this Agreement that are not delivered, without any alteration. This Agreement may be executed by electronic signature, and may be delivered by electronic transmission.
38. **Language.** The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating hereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente convention de souscription ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.
39. **Amendment.** This Agreement may not be modified, changed, discharged, terminated or amended except by written instrument executed by the parties.
40. **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.
41. **Independent Legal, Tax, and Investment Advice.** The Subscriber acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its subscription for the Securities and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for the purposes of giving representations, warranties and covenants under this Subscription Agreement. The Subscriber (and the disclosed principal) is not relying on the Issuer, or their respective affiliates or counsel in this regard. The Subscriber acknowledges that the Issuer's legal counsel, Nox Law Corporation, is acting as counsel to the Issuer and not as counsel to the Subscriber.
42. **Closing Date.** The Subscriber hereby confirms the truth and accuracy of all statements made herein by the Subscriber and that such statements will be true and accurate on the Closing Date.

ITEM 16: APPENDIX 3 - RISK ACKNOWLEDGEMENT FORM

INSTRUCTIONS: SUBSCRIBER AND THE ISSUER ARE TO COMPLETE THE RISK ACKNOWLEDGEMENT FORM AND SCHEDULES 1 AND 2, AS APPLICABLE. ALL SUBSCRIBERS MUST COMPLETE THE RISK ACKNOWLEDGEMENT FORM.

**Risk Acknowledgement Form
(for Non-Registered Rep.)
(Form 45-106F4)**

Risk Acknowledgement

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

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. Freightera Logistics Inc. [name of issuer] will pay \$ _____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

WARNING

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

You have 2 business days to cancel your purchase

To do so, send a notice to FREIGHTERA LOGISTICS 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 fax (if available) or email or deliver it in person to FREIGHTERA LOGISTICS INC at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Freightera Logistics Inc.,
Office 8036
200-375 Water Street
Vancouver, BC V6B 0M9

E-mail: eric.beckwitt@freightera.com

You are buying Exempt Market Securities

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

- a. 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
- b. 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.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

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 (see following page).

ALBERTA

Alberta Securities Commission
Tel: (403) 297-6454
Web site: www.albertasecurities.com

MANITOBA

The Manitoba Securities Commission
Tel: (204) 945-2548
Web site: www.mbsecurities.ca

NEWFOUNDLAND AND LABRADOR

Office of the Superintendent of Securities,
Tel: (709) 729-4189
Web site:
<http://www.servicenl.gov.nl.ca/securities/index.html>

NOVA SCOTIA

Nova Scotia Securities Commission
Tel: (902) 424-7768
Web site: <http://nssc.novascotia.ca/>

ONTARIO

Ontario Securities Commission
Tel: (416) 593-8314
Web site: www.osc.gov.on.ca

QUEBEC

Autorité des marchés financiers
Tel: (514) 395-0337 (Montréal) or (418) 525-0337 (Québec)
Web site: <http://www.lautorite.qc.ca/en/index.html>

YUKON

Office of the Yukon Superintendent of Securities
Tel: (867) 667-5466
Web site:
http://www.community.gov.yk.ca/corp/securities_about.html

BRITISH COLUMBIA

British Columbia Securities Commission
Tel: (604) 899-6500
Web site: www.bcsc.bc.ca

NEW BRUNSWICK

Financial and Consumer Services Commission
Tel: (506) 658-3060
Web site: <http://www.fcnb.ca>

NORTHWEST TERRITORIES

Office of the Superintendent of Securities
Tel: (867) 920-3318
Web site: www.justice.gov.nt.ca/SecuritiesRegistry

NUNAVUT

Nunavut Securities Office
Tel: (867) 975-6590
Web site:
http://nunavutlegalregistries.ca/sr_index_en.shtml

PRINCE EDWARD ISLAND

The Office of the Superintendent Securities
Tel: (902) 368-4569
Web site: www.gov.pe.ca/securities

SASKATCHEWAN

Financial and Consumer Affairs Authority
Tel: (306) 787-5645 (Regina)
Web site: <http://www.fcaa.gov.sk.ca>

SCHEDULE 1**Classification of Investors Under the Offering Memorandum Exemption**

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

How you qualify to buy securities under the offering memorandum exemption
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act (Ontario)</i> , because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

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	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____.</p> <p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer:</i> _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer:</i> _____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you are not an eligible investor.</p>	

SCHEDULE 2

Investment Limits for Investors Under the Offering Memorandum Exemption

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

SECTION 1 TO BE COMPLETED BY THE PURCHASER
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption
You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

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

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

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

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

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<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:	

ITEM 16: APPENDIX 3 - RISK ACKNOWLEDGEMENT FORM

INSTRUCTIONS: SUBSCRIBER AND THE ISSUER ARE TO COMPLETE THE RISK ACKNOWLEDGEMENT FORM AND SCHEDULES 1 AND 2, AS APPLICABLE. ALL SUBSCRIBERS MUST COMPLETE THE RISK ACKNOWLEDGEMENT FORM.

**Risk Acknowledgement Form
(for Registered Rep.)
(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 will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Freightera Logistics Inc. [name of issuer] will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

WARNING

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

You have 2 business days to cancel your purchase

To do so, send a notice to FREIGHTERA LOGISTICS 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 fax (if available) or email or deliver it in person to FREIGHTERA LOGISTICS INC at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Freightera Logistics Inc.,
Office 8036
200-375 Water Street
Vancouver, BC V6B 0M9

E-mail: eric.beckwitt@freightera.com

You are buying Exempt Market Securities

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

- a. 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
- b. 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.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

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 (see following page).

ALBERTA

Alberta Securities Commission
Tel: (403) 297-6454
Web site: www.albertasecurities.com

MANITOBA

The Manitoba Securities Commission
Tel: (204) 945-2548
Web site: www.mbsecurities.ca

NEWFOUNDLAND AND LABRADOR

Office of the Superintendent of Securities,
Tel: (709) 729-4189
Web site:
<http://www.servicenl.gov.nl.ca/securities/index.html>

NOVA SCOTIA

Nova Scotia Securities Commission
Tel: (902) 424-7768
Web site: <http://nssc.novascotia.ca/>

ONTARIO

Ontario Securities Commission
Tel: (416) 593-8314
Web site: www.osc.gov.on.ca

QUEBEC

Autorité des marchés financiers
Tel: (514) 395-0337 (Montréal) or (418) 525-0337 (Québec)
Web site: <http://www.lautorite.qc.ca/en/index.html>

YUKON

Office of the Yukon Superintendent of Securities
Tel: (867) 667-5466
Web site:
http://www.community.gov.yk.ca/corp/securities_about.html

BRITISH COLUMBIA

British Columbia Securities Commission
Tel: (604) 899-6500
Web site: www.bcsc.bc.ca

NEW BRUNSWICK

Financial and Consumer Services Commission
Tel: (506) 658-3060
Web site: <http://www.fcnb.ca>

NORTHWEST TERRITORIES

Office of the Superintendent of Securities
Tel: (867) 920-3318
Web site: www.justice.gov.nt.ca/SecuritiesRegistry

NUNAVUT

Nunavut Securities Office
Tel: (867) 975-6590
Web site:
http://nunavutlegalregistries.ca/sr_index_en.shtml

PRINCE EDWARD ISLAND

The Office of the Superintendent Securities
Tel: (902) 368-4569
Web site: www.gov.pe.ca/securities

SASKATCHEWAN

Financial and Consumer Affairs Authority
Tel: (306) 787-5645 (Regina)
Web site: <http://www.fcaa.gov.sk.ca>

SCHEDULE 1**Classification of Investors Under the Offering Memorandum Exemption**

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How you qualify to buy securities under the offering memorandum exemption
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

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	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer:</i></p> <p>_____.</p> <p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer:</i> _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer:</i> _____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you are not an eligible investor.</p>	

SCHEDULE 2

Investment Limits for Investors Under the Offering Memorandum Exemption

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

SECTION 1 TO BE COMPLETED BY THE PURCHASER
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption
You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

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

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

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

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

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<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:	