

Annex D

PROPOSED FORM 45-110F1 OFFERING DOCUMENT

GENERAL INSTRUCTIONS:

- (1) *This offering document is to be provided to your funding portal, which must make it available on its online platform. This offering document must not contain a misrepresentation. A misrepresentation means an untrue statement of material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. If the information contained in this offering document is no longer accurate and contains a misrepresentation, you must immediately notify the funding portal, amend the offering document and provide the new version to the funding portal.*
- (2) *An issuer relying on the start-up crowdfunding prospectus exemption must file this offering document, and all amendments to it, in the jurisdictions where the issuer has made a crowdfunding distribution, as well as in the province or territory where the issuer's head office is located.*

The offering document is required to be filed no later than the 30th day after the closing of the distribution.
- (3) *This offering document must be completed and certified by an authorized individual on behalf of the issuer.*
- (4) *Draft this offering document so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms.*
- (5) *Conform as closely as possible to the format set out in this form. Address the items in the order set out below. No variation of headings, numbering or information set out in the form is allowed and all are to be displayed as shown.*

Item 1: RISKS OF INVESTING

- 1.1 Include the following statement, in bold type:

“No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.”

- 1.2 Include the following statement, in bold type, if the issuer provides forward-looking statements:

“The forecasts and predictions of an early-stage business are difficult to objectively analyze or confirm. Forward-looking statements represent the opinion of the issuer only and may not prove to be reasonable.”

Item 2: THE ISSUER

- 2.1 Provide the following information for the issuer:

- (a) Full legal name as it appears in the issuer's articles of incorporation, limited partnership agreement or other organizing documents, as the case may be,
- (b) Head office address,
- (c) Telephone,
- (d) Email address, and
- (e) Website URL.

Instructions: The head office is generally where the people managing the issuer, including the CEO, maintain their offices. This may be the same as, or different from, the registered office address, depending on the legal structure of the issuer. The address of the head office should be a physical address and not a post office (P.O.) box.

2.2 Provide the following information for a contact person of the issuer who is able to answer questions from purchasers and the securities regulatory authority or regulator:

- (a) Full legal name (first name, middle name and last name),
- (b) Position held with the issuer,
- (c) Business address,
- (d) Business telephone, and
- (e) Email address.

Item 3: ISSUER'S BUSINESS

3.1 Describe the issuer's business. Provide details about the issuer's industry and operations. Provide enough details for an investor to clearly understand what the issuer does or intends to do.

Instructions:

(1) Consider the following:

- *Does or will the issuer build, design or develop something? Sell something produced by others? Provide a service? What makes the issuer's business special and different from other competitors in the industry?*
- *What milestones has the issuer already reached and hopes to achieve in the next couple years? E.g., Complete testing? Find a manufacturer? Commence a marketing campaign? Buy inventory? What is the proposed timeline for achieving each of the milestones?*
- *What are the major hurdles that the issuer expects to face in achieving its milestones?*
- *How are the funds raised from this financing expected to help the issuer advance its business and achieve one or more of the milestones?*

- *Has the issuer entered any contracts that are important to its business?*
- *Has the issuer conducted any operations yet?*
- *Where does the issuer see its business in three, five and ten years?*
- *What are the issuer's future plans and hopes for its business and how does it plan to get there?*
- *What is the issuer's management experience in running a business or in the same industry?*
- *Does the issuer have business premises from which it can operate its business?*
- *How many employees does the issuer have? Need?*

(2) *An issuer describing its business must not refer to a measure of financial performance, financial position or cash flow in the offering document unless (i) the issuer has made financial statements available for the most recently completed financial year, and (ii) the measure referred to in the offering document is an amount presented in the financial statements or is reconciled to an amount presented in the financial statements.*

3.2 Describe the legal structure of the issuer and indicate the jurisdiction where the issuer is incorporated or organized.

Instructions: Indicate whether the issuer is a corporation, a limited partnership, a general partnership or other. Also, indicate the province, territory or state where the issuer is incorporated or organized.

3.3 Indicate where the issuer's articles of incorporation, limited partnership agreement, shareholder agreement or similar document are available for purchasers to review.

Instruction: You may provide online access to these documents for investors.

3.4 Indicate which statement(s) best describe the issuer's operations (select all that apply):

- Has never conducted operations,
- Is in the development stage,
- Is currently conducting operations,

3.5 Indicate whether the issuer has financial statements available. If yes, include the following statement, in bold type:

“Information for purchasers: If you receive financial statements from an issuer conducting a crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements.”

Instructions:

- (1) *Any financial statements made available in connection with the start-up crowdfunding distribution must be prepared in accordance with Canadian GAAP. These financial statements must present the issuer's results of operations for its most recently completed financial year.*
 - (2) *If an auditor has issued an auditor's report on the financial statements, they must be included with the financial statements. If the financial statements were not audited, the issuer must label the financial statements as unaudited.*
- 3.6 Describe the number and type of securities of the issuer outstanding as at the date of the offering document. If there are securities outstanding other than the eligible securities being offered, please describe those securities.

Item 4: MANAGEMENT

- 4.1 Provide the information in the following table for each founder, director, officer and control person of the issuer:

Full legal name, municipality of residence and position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer's business	Number and type of securities of the issuer owned	Date securities were acquired and price paid for the securities	Percentage of the issuer's securities held as of the date of this offering document

- 4.2 Provide the name of the person involved and details on the time, nature and the outcome of the proceedings for each of the persons listed in item 4.1 and the issuer who, as the case may be:
- (a) has ever, pled guilty to or been found guilty of:
 - (i) a summary conviction or indictable offence under the Criminal Code (R.S.C., 1985, c. C-46) of Canada,
 - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
 - (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or
 - (iv) an offence under the criminal legislation of any other foreign jurisdiction,

- (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by, or has entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to:
 - (i) the person's involvement in any securities, insurance or banking activity, or
 - (ii) a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct,
- (c) is or has been the subject of an order, judgment, decree, sanction or administrative penalty imposed by a discipline committee, professional order or administrative court of Canada or a foreign jurisdiction in the last ten years related to any professional misconduct,
- (d) is or has ever been the subject of a bankruptcy or insolvency proceeding,
- (e) is a director, officer, founder or control person of an entity that is or has been subject to a proceeding described in paragraphs (a), (b), (c) or (d) above.

Instructions: A quasi-criminal offence includes offences under the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)), the Immigration and Refugee Protection Act (R.S.C., 2001, c. 27) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any province or territory of Canada or foreign jurisdiction.

Item 5: CROWDFUNDING DISTRIBUTION

5.1 Provide the name of the funding portal the issuer is using to conduct its crowdfunding distribution. If the issuer is using a funding portal that is operated by a registered dealer, it must also provide the name of the registered dealer.

Instruction: The offering document can only be posted on one funding portal.

5.2 Indicate all the jurisdictions (Canadian provinces and territories) where the issuer intends to raise funds and make this offering document available.

- | | | | |
|---|---|-----|---|
| <input type="checkbox"/> Alberta | <input type="checkbox"/> Newfoundland
Labrador | and | <input type="checkbox"/> Ontario |
| <input type="checkbox"/> British Columbia | | | <input type="checkbox"/> Prince Edward Island |
| <input type="checkbox"/> Manitoba | <input type="checkbox"/> Northwest Territories | | <input type="checkbox"/> Québec |
| <input type="checkbox"/> New Brunswick | <input type="checkbox"/> Nova Scotia | | <input type="checkbox"/> Saskatchewan |

Nunavut

Yukon

5.3 Provide the following information with respect to the crowdfunding distribution:

- (a) the date before which the issuer must have raised the minimum offering amount for the closing of the distribution (no later than 90 days after the date this offering document is first made available on the funding portal); and
- (b) the date(s) and description of any amendment(s) made to this offering document, if any.

Instruction: An amendment to the offering document cannot modify the date in (a).

5.4 Indicate the type of eligible securities offered.

- Common shares
- Non-convertible preference shares
- Securities convertible into common shares
- Securities convertible into non-convertible preference shares
- Non-convertible debt linked to a fixed interest rate
- Non-convertible debt linked to a floating interest rate
- Limited partnership units

5.5 The securities offered have the following rights, restrictions and conditions:

- Voting rights
- Dividends or interests (describe any right to receive dividends or interest)
- Rights on dissolution
- Conversion rights (describe what each security is convertible into)
- Tag-along rights
- Drag-along rights
- Pre-emptive rights
- Other (describe the rights).

Instructions: This information is usually found in the organizing documents referred to in item 3.3.

5.6 Provide a brief summary of any other material restrictions or conditions that attach to the eligible securities being offered, such as tag-along, drag along or pre-emptive rights.

Instructions: The restrictions and conditions to be described here are generally found in by-laws, shareholder’s agreements or limited partnership agreements.

5.7 In a table, provide the following information:

	Total amount (\$)	Total number of securities issuable
Minimum offering amount		
Maximum offering amount		
Price per security		

5.8 Indicate the minimum investment amount per purchaser, or if the issuer has not set a minimum investment amount, state that.

5.9 Include the following statement, in bold type:

“Note: The minimum offering amount stated in this offering document may be satisfied with funds that are unconditionally available to [insert name of issuer] that are raised using other prospectus exemptions.”

Item 6: USE OF FUNDS

6.1 Provide the following information on the funds previously raised by the issuer:

- (a) The amount of funds previously raised;
- (b) How the issuer raised those funds;
- (c) If the funds were raised by issuing securities, the prospectus exemption that the issuer relied on to issue those securities; and
- (d) How the issuer used those funds.

If the issuer has not previously raised funds, state this fact.

6.2 Using the following table, provide a detailed breakdown of how the issuer will use the funds from this crowdfunding distribution. If any of the funds will be paid directly or indirectly to a founder, director, officer or control person of the issuer, disclose in a note to the table the name of the person, the relationship to the issuer and the amount. If more than 10% of the available funds will be used by the issuer to pay debt and the issuer incurred the debt within the two preceding financial years, describe why the debt was incurred.

Description of intended use of funds listed in order of priority	Assuming minimum offering amount	Assuming maximum offering amount

Item 7: PREVIOUS CROWDFUNDING DISTRIBUTIONS

7.1 For each crowdfunding distribution in which the issuer group and each founder, director, officer and control person of the issuer group have been involved in the past five years, provide the information below:

- (a) the full legal name of the issuer that made the distribution,
- (b) the name of the funding portal, and
- (c) whether the distribution successfully closed, was withdrawn by the issuer or did not close because the minimum offering amount was not reached and the date on which any of these occurred.

Instruction: Provide the information for all previous crowdfunding distributions involving the issuer group and each founder, director, officer and control person of the issuer group, even if the previous crowdfunding distribution was made by an issuer that is not part of the issuer group.

Item 8: COMPENSATION PAID TO FUNDING PORTAL

Provide a description of each commission, fee and any other amounts expected to be paid by the issuer to the funding portal for this crowdfunding distribution and the estimated amount to be paid. If a commission is being paid, indicate the percentage that the commission will represent of the gross proceeds of the offering assuming both the minimum and maximum offering amount.

Item 9: RISK FACTORS

- 9.1 Describe in order of importance, starting with the most important, the risk factors material to the issuer that a reasonable investor would consider important in deciding whether to buy the issuer’s securities.
- 9.2 If the securities being distributed are to pay interest, dividends or distributions and the issuer does not have the financial resources to make such payments, (other than from the sale of securities) state in bold type:

“We do not currently have the financial resources to pay [interest, dividends or distributions] to investors. There is no assurance that we will ever have the financial resources to do so.”

Item 10: REPORTING OBLIGATIONS

- 10.1 Describe the nature and frequency of any disclosure of information the issuer intends to provide to purchasers after the closing of the distribution and explain how purchasers can access this information.
- 10.2 If the issuer is required by corporate legislation, its constating documents (e.g., articles of incorporation or by-laws) or otherwise to provide either or both of annual financial statements or an information circular/proxy statements to its security holders, state that fact.
- 10.3 If the issuer is aware, after making due inquiries, of any existing voting trust agreement among certain shareholders of the issuer, provide the information below:
- (a) the number of shareholders party to the agreement,
 - (b) the percentage of voting shares of the issuer subject to the agreement,
 - (c) the name of the person acting as a trustee,
 - (d) whether the trustee has been granted any additional powers, and
 - (e) whether the agreement is limited to a specified period of time.

Item 11: RESALE RESTRICTIONS

- 11.1 Include the following statement, in bold type:

“The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities.”

Item 12: PURCHASERS’ RIGHTS

- 12.1 Include the following statement, in bold type:

“Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right to sue:

- (a) **[name of issuer or other term used to refer to issuer] to cancel your agreement to buy these securities, or**
- (b) **for damages against [name of issuer or other term used to refer to issuer] and may, in certain jurisdictions, have the statutory right to sue other persons.**

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

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

Two-day cancellation right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal not later than midnight on the second business day after you enter into the agreement. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal not later than midnight on the second business day after the funding portal provides you notice of the amendment.”

Item 13: DATE AND CERTIFICATE

13.1 Include the following statement, in bold type:

“This offering memorandum does not contain a misrepresentation.”

13.2 Provide the signature, date of the signature, name and position of the authorized individual certifying this offering document.

13.3 If this offering document is signed electronically, include the following statement, in bold type:

“I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature.”