CIZZLE BRANDS CORPORATION

ANNUAL INFORMATION FORM

For the Fiscal Year Ended July 31, 2024

DECEMBER 19, 2024

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GLOSSARY

Unless otherwise indicated, whenever used in this AIF, the following words and terms have the indicated meanings. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender includes all genders.

"**AIF**" means this annual information form dated December 19, 2024.

"**Amalco**" means Cizzle Brands Ltd., a wholly owned subsidiary of the Company, formed pursuant to the Amalgamation.

"**Amalgamation**" means the amalgamation of Subco and Target, which occurred on December 19, 2024.

"**Award**" means an Option, DSU, PSU, RSU or SAR granted in accordance with the terms of the Omnibus Plan.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) as amended from time to time.

"**Board**" means the board of directors of the Company.

"**Business Combination Agreement**" means the letter agreement dated October 7, 2024, as amended, between Cizzle Brands Ltd. and Shellco, setting forth the terms pursuant to which the Transaction was to be completed.

"**CBI**" means Cizzle Brands Inc., a corporation incorporated under the laws of Canada.

"**Cboe Canada**" means Cboe Canada Inc.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Cizzle**" or the "**Company**" means Cizzle Brands Corporation, formerly 1348512 B.C. Ltd., a company existing under the laws of the Province of British Columbia.

"**Cizzle Subscription Receipt Offering**" means the private placement offering of 3,458,940 subscription receipts of Cizzle at a price of $0.30 for aggregate gross proceeds of $1,037,682, which was completed on November 12, 2024.

"**Common Shares**" means common shares in the authorized share structure of the Company.

"**Consolidation**" means the consolidation of the Shellco's common shares on the basis of one (1) post-Consolidation Shellco common share for every 1.80 pre-Consolidation Shellco common shares.

"**DSU**" means a deferred share unit of the Company granted in accordance with the terms of the Omnibus Plan.

"**Escrow Agent**" means Odyssey Trust Company.

"**Escrowed Proceeds**" mean the gross proceeds from the Subscription Receipt Financing, less the commission payable to the finders pursuant to the Subscription Receipt Financing.

"**Flow Agreement**" means the non-exclusive manufacturing agreement between Flow Water Inc. and CBI dated March 13, 2024.

"**Legacy Option Plan**" means the stock option plan of Target, as may be amended from time to time.

"**NEO**" means each of the following individuals:

a) a CEO;

b) a CFO;

c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6), for that financial year; and

d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

"**Nutrablend Agreement**" means the non-exclusive manufacturing agreement dated February 22, 2024 between NBF Holdings Canada Inc. and CBI.

"**OBCA**" means the *Business Corporations Act* (Ontario) as amended from time to time.

"**Omnibus Plan**" means the Company's equity incentive compensation plan adopted by Board on December 19, 2024 and approved by more than $66^{2/3}$% the holders of the Target Shares on December 6, 2024.

"**Option**" means an incentive stock option of the Company granted in accordance with the terms of the Omnibus Plan.

"**Penalty Right**" means a penalty right issued by the Target granting each holder thereof one-tenth of one Target Share if the Common Shares did not begin trading on Cboe Canada on or prior to December 31, 2024.

"**PSU**" means a performance share unit of the Company granted in accordance with the terms of the Omnibus Plan.

"**RSU**" means a restricted share unit of the Company granted in accordance with the terms of the Omnibus Plan.

"**SAR**" means a share appreciation right of the Company granted in accordance with the terms of the Omnibus Plan.

"**Share Amendments**" means, collectively, the Consolidation and the cancellation of the class of preferred shares Shellco was authorized to issue.

"**Shellco**" means 1348512 B.C. Ltd., the name of the Company prior to completion of the Transaction.

"**Subco**" means 1001070471 Ontario Inc., a wholly owned subsidiary of Shellco incorporated pursuant to the provision of the OBCA, prior to the completion of the Amalgamation.

"**Subscription Receipt**" means a subscription receipt issued by Target pursuant to the Subscription Receipt Financing at a price of $0.30 per Subscription Receipt and, upon satisfaction of certain release conditions set out in the Subscription Receipt Agreement, shall automatically convert into one Target Share.

"**Subscription Receipt Financing**" means the non-brokered private placement of 3,458,940 Subscription Receipts at a price of $0.30 per Subscription Receipt for aggregate gross proceeds to Target of $1,037,682, which closed on November 12, 2024, all on the terms and subject to the conditions set out in the subscription agreements entered into between subscribers for Subscription Receipts and Target.

"**Subscription Receipt Agent**" means Odyssey Trust Company.

"**Subscription Receipt Agreement**" means the Subscription Receipt Agreement dated November 12, 2024, between the Cizzle and Odyssey Trust Company, governing the terms and conditions of the subscription receipts issued pursuant to the Cizzle Subscription Receipt Offering.

"**Target**" means, prior to the Amalgamation, Cizzle Brands Ltd., which amalgamated with Subco to form Amalco pursuant to the Amalgamation Agreement.

"**Target Broker Warrants**" means the Target Unit Warrants issued to the agents in connection with the Target Unit Financing.

"**Target Finder Warrants**" mean the Target Warrants issued to the finders in connection with the Subscription Receipt Financing.

"**Target Share Financing**" means the non-brokered private placement of 10,185,513 Target Shares at a price of $0.30 per Target Share for aggregate gross proceeds to Target of $3,055,655, which closed on November 25, 2024, all on the terms and subject to the conditions set out in the subscription agreements entered into between subscribers for Target Shares and Target.

"**Target Shares**" means the issued and outstanding common shares in the authorized share structure of Target.

"**Target Unit**" means a unit issued by Target pursuant to the Target Unit Financing at a price of $0.20 per Target Unit, with each Target Unit being comprised of (i) Target Share; (ii) one-half of one Target Warrant, each full Target Warrant exercisable into one Target Share at a price of $0.40 per Target Share; and (iii) one Penalty Right.

"**Target Unit Financing**" means the private placement of 77,223,270 Target Units for aggregate gross proceeds to Target of $15,444,654, all on the terms and subject to the conditions set out in the subscription agreements entered into between subscribers for Target Shares and Target.

"**Target Warrants**" means warrants to purchase Target Shares.

"**Target Unit Warrants**" means warrants to purchase Target Units.

"**Transaction**" has the meaning ascribed to such term under the section entitled "*Name, Address and Incorporation*".

"**Warrants**" means warrants to purchase Common Shares of the Company.

"**Units**" means units of the Company comprised of a combination of underlying securities of the Company.

"**Unit Warrants**" means warrants to purchaser Units of the Company.

ABOUT THIS ANNUAL INFORMATION FORM

All dollar amounts referred to in this AIF are stated in Canadian dollars, unless otherwise indicated. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("**GAAP**"). Accordingly, financial information in this AIF is presented in accordance with IFRS.

The information in this AIF is presented as at December 19, 2024 unless otherwise indicated.

In this AIF, unless the context otherwise requires, the "Company" refers to Cizzle Brands Corporation and its subsidiaries.

Market Data

Unless otherwise indicated, market data and certain industry data and forecasts included in this AIF concerning the industry of the Company and the markets in which it operates including its general expectations, legislative regime and market opportunity, is based on information from industry publications and reports generated by several third parties and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which the Company believes to be reasonable. These industry publications and reports generally indicate that the information contained therein was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. The Company has not independently verified the data in such publications, reports or resources, and such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "*Forward-Looking Statements*" and "*Risk Factors*" in this AIF. While the Company believes its internal business research is reliable and market definitions are appropriate, neither such research nor definitions have been verified by any independent source. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the industry involves risks and uncertainties that are subject to change based on various factors.

FORWARD-LOOKING STATEMENTS

This AIF includes "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws. All information, other than statements of historical facts, included in this AIF that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding:

- future products and services;
- expansion to product distribution;
- the Company's growth;
- marketing and business plans and short-term objectives;
- the intention to grow the business, operations and potential activities of the Company;
- revenue;
- use of available funds;
- business milestones and objectives;
- the protection of intellectual property;
- exploration of new products and opportunities;
- the listing of the Common Shares;
- future risks to operations;
- the Company's business objectives;
- the Company's expectations regarding its business, financial condition and results of operations
- future market share;
- the outcome of legal proceedings which involve the Company;
- strategic plans; and
- strategic relationships with third parties.

These statements reflect the Company's current views with respect to future events and are based on assumptions and subject to a number of risks and uncertainties, some of which are unknown at this time. Certain assumptions made in preparing the forward-looking statements contained in this AIF include:

- the Company's ability to meet its obligations as they become due;
- the Company's ability to implement its growth strategies;

- the Company's competitive advantages;
- the development of new products and product formats for the Company's products;
- the Company's ability to manage any indebtedness as required;
- the Company's ability to obtain and maintain financing or to re-finance existing indebtedness on acceptable terms, as necessary;
- the impact of competition;
- changes and trends in the beverage industry and markets;
- changes in laws, rules and regulations;
- the Company's ability to maintain and renew required licences;
- the Company's ability to maintain good business relationships with its customers, distributors and other strategic partners;
- the Company's ability to keep pace with changing consumer preferences;
- the Company's ability to protect intellectual property;
- the Company's ability to retain key personnel;
- The absence of material adverse changes in the industry and in Canadian, US or global economies
- The Company's future business performance;
- The demand for the Company's products; and
- The conditions of the markets that the Company's serves.

Although the Company believes that the assumptions underlying its statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, investors should not place undue reliance on the forward-looking information.

The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this AIF under "*Description of the Business"* as well as statements regarding the Company's objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking information. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct.

While the Company believes its plans, intentions and expectations reflected in the forward-looking information are reasonable, it cannot assure you that these plans, intentions or expectations will be achieved. The Company's actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking information relating to the Company contained in this AIF as a result of various factors, including the risks, uncertainties and assumptions discussed under "*Risk Factors",* which include, but are not limited to, the following:

- Ability to achieve and manage growth;
- Failure to effectively expand sales capabilities could harm the Company's ability to increase distribution and achieve broader market acceptance of its products;
- The Company may need additional financing in the future, which may not be available when needed or may be costly and dilutive;
- Changes in consumer preferences may reduce demand for some of the Company's products;
- The Company's brand and image are keys to its business and any inability to maintain a positive brand image could have a material adverse effect on its results of operations;
- The Company may be adversely impacted by the effects of high or prolonged inflation;
- Competition from traditional and large, well-financed non-alcoholic beverage manufacturers may adversely affect the Company's distribution relationships and may hinder development of its existing markets, as well as prevent the Company from expanding its markets;
- The Company competes in an industry characterized by rapid changes in consumer preferences and public perception, so its ability to continue developing new products to satisfy the changing preferences of consumers will determine its long-term success;

- The Company's reliance on distributors, retailers and brokers could affect its ability to efficiently and profitably distribute and market its products, maintain its existing markets and expand its business into other geographic markets;
- The Company incurs significant time and expense in attracting and maintaining key distributors;
- If the Company loses any of its key distributors or national retail accounts, its financial condition and results of operations could be adversely affected;
- It is difficult to predict the timing and amount of sales because most distributors and retailers are not required to place minimum orders with the Company;
- If the Company does not adequately manage its inventory levels, its operating results could be adversely affected;
- If the Company fails to maintain relationships with its independent contract manufacturers, its business could be harmed;
- The Company's dependence on independent contract manufacturers could make management of its manufacturing and distribution efforts inefficient or unprofitable;
- The Company relies upon our ongoing relationships with its key flavor suppliers. If the Company is unable to source its flavors on acceptable terms from its key suppliers, the Company could suffer disruptions in its business;
- Criticism of the packaged beverage market generally could adversely affect the Company's operating results;
- If the Company is unable to maintain brand image or product quality, its business could suffer;
- Increased competition could hurt the Company's business;
- Consolidation of retailers, wholesalers and distributors and the dominant position of a limited number of key players in the industry may result in downward pressure on sales prices;
- The Company's failure to accurately estimate demand for its products could adversely affect its business and financial results;
- If the Company fails to obtain and retain high-visibility sponsorship or endorsement arrangements with celebrities, or if the reputation of any of the celebrities that the Company partners with is impaired, the business of the Company may suffer;
- The Company's distributors and vendors are material to the Company's success. If the Company is unable to maintain good relationships with its existing distributors and vendors, its business could suffer;
- Changing retail landscape could hurt the Company's business;
- Incorrect product design or development could hurt the Company's business;
- Product information misrepresentations could happen and may adversely affect the Company's business;
- The Company relies on third party distributors and other logistics providers;
- The Company relies on key inputs;
- The Company's success relies on its quality control systems;
- The Company is subject to risks and uncertainty regarding future product development;
- Risks related to the Company's human capital;
- Revenues derived entirely from packaged beverages;
- Increases in costs and/or shortages of raw materials and/or ingredients and/or fuel could harm the Company's business;
- Fluctuation of quarterly operating results;
- No assurance of profitability;
- Fluctuations in foreign currency exchange rates may adversely affect the Company's operating results;
- Significant changes in government regulation may hinder sales;
- Contamination or recalls of the Company's ingredients or end products could adversely affect its business;
- The Company's intellectual property rights are critical to the Company's success, and the loss of such rights could materially adversely affect its business;
- Litigation or legal proceedings could expose the Company to significant liabilities and thus negatively affect its financial results;
- Future effective tax rates could be subject to volatility or adversely affected by a number of factors;
- Catastrophic events could impact the Company's operations and affect the Company's ability to grow its business;
- Climate change may negatively affect the Company's business;

- The Company's business is seasonal and adverse weather conditions could negatively affect its business;
- The Company depends on key information systems and third-party service providers;
- If the Company is unable to securely maintain its customers' confidential or credit card information, or other private data relating to the Company or its employees, the Company could be subject to negative publicity, costly government enforcement actions or private litigation, which could damage its business reputation and negatively affect its results of operations;
- The Company must continually maintain and/or upgrade its information technology systems;
- Conflicts of interest;
- No operating history as a public company;
- Potential volatility of share price;
- No assurance of active market for shares;
- Dividends;
- A return on the Company's securities is not guaranteed;
- Global financial conditions;
- Future sales of common shares by existing shareholders;
- Additional issuances and dilution;
- Publication of inaccurate or unfavourable research and reports; and
- There are costs associated with maintaining a public listing.

These risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience to differ materially from its expectations, future results, performances or achievements expressed or implied by the forward-looking information.

The forward-looking information made in this AIF relates only to events or information as of the date on which the statements are made in this AIF. In addition, even if results and developments are consistent with the forward-looking information contained in this AIF, those results and developments may not be indicative of results or developments in subsequent periods. The Company undertakes no obligation to update or revise publicly any forward-looking information, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events unless required under applicable securities laws. The Company's forward-looking information is expressly qualified in their entirety by this cautionary statement.

An investor should read this AIF with the understanding that the Company's actual future results may be materially different from what is expected.

ITEM 1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

The Company was incorporated on February 16, 2022, pursuant to the provisions of the BCBCA under the name "1348512 B.C. Ltd.". Shellco was incorporated for the purposes of investigating and evaluation business opportunities to acquire or participate in.

On December 19, 2024, the Company completed a business combination by way of a three-cornered amalgamation pursuant to the Amalgamation Agreement in accordance with the terms of the Business Combination Agreement (the "**Transaction**").

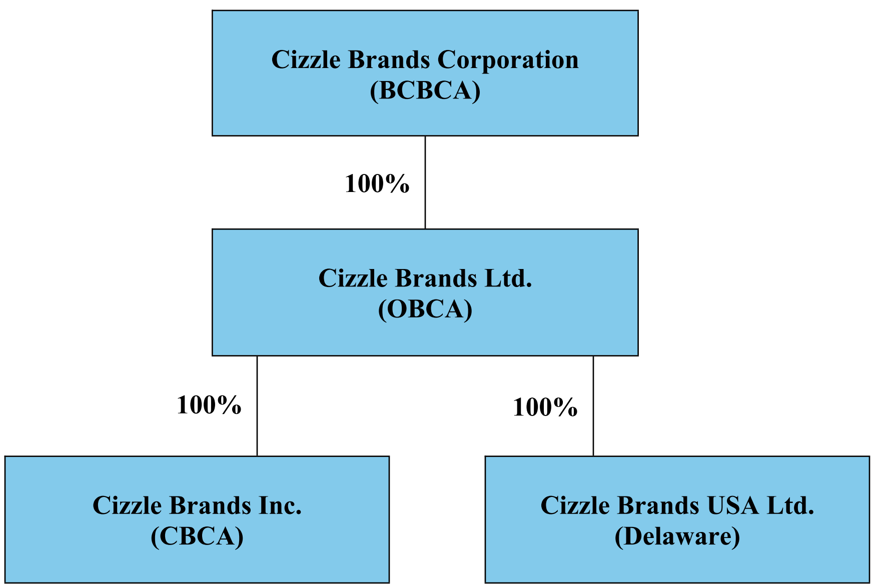
In connection with the Transaction, prior to the closing of the Transaction, the Company changed its name to "Cizzle Brands Corporation".

The registered office and head office of the Company is located at 35 McCleary Court, Unit 21, Concord, Ontario, L4K 3Y9.

The Company is a reporting issuer in the provinces of Alberta and British Columbia.

1.2 Intercorporate Relationships

The following diagram presents the inter-corporate relationships among the Company and its subsidiaries as of the date hereof.



ITEM 2. GENERAL DEVELOPMENT OF THE BUSINESS

Prior to the completion of the Transaction, Shellco's business was to identify and evaluate businesses with a view to completing a reverse takeover with one or more private companies. As further described herein, the Company is now engaged in the business of the development, marketing and sales of better-for-you prepared foods.

2.1 History of Shellco

Shellco was created as a result of a spin out of Larose Ventures Ltd. pursuant to an order of the Supreme Court of British Columbia dated March 24, 2022.

On September 27, 2024, Shellco announced the closing of a non-brokered private placement through the issuance of 937,500 common shares of Shellco for gross proceeds of $100,000.

On October 7, 2024, Shellco announced that it had entered into the Business Combination Agreement with Target.

On November 21, 2024, Shellco incorporated Subco under the OBCA for the purposes of completing the Transaction. Shellco and Subco had no material assets and did not conduct any operations or active business prior to the completion of the Transaction, other than the identification and evaluation of acquisition opportunities to permit Shellco to acquire a business or assets in order to conduct commercial operations.

Effective November 25, 2024, Shellco changed its name to its current name, "Cizzle Brands Corporation" and completed the Share Amendments.

On December 13, 2024, Shellco completed a non-brokered private placement of 312,500 common shares of Shellco for gross proceeds of $60,000.

2.2 History of Target

The following disclosure is a description of the business of Target, which became the business of the Company after the completion of the Transaction.

Target was incorporated under the name "Harbour Mission Co. Ltd." on January 10, 2024 under the laws of the Province of Ontario. Its purpose on incorporation was to facilitate a transaction with one or more food and beverage companies.

CBI was incorporated on August 8, 2023 as a company focused on discovering and commercializing novel ingredients.

After many exploratory meetings, Target and CBI decided to combine efforts to develop a company to elevate the game in health & wellness, through the acquisition of CBI by Target pursuant to the terms of a share purchase agreement, dated January 24, 2024, whereby Target would acquire all of the issued and outstanding shares of CBI for a purchase price of $5,000,000. Target rebranded itself as "Cizzle Brands Ltd." on February 6, 2024 and completed the acquisition of CBI on February 8, 2024.

On August 28, 2024, Target completed Target Unit Financing, pursuant to which Target issued 77,223,270 Target Units at an issue price of $0.20 per Target Unit for aggregate gross proceeds of $15,444,654. The Target Unit Financing closed in 6 tranches with the dates of said tranches being February 15, 2024, February 21, 2024, May 16, 2024, June 13, 2024, August 7, 2024, and August 28, 2024. In connection with the Target Unit financing, Target issued an additional 966,000 Finder Units and $73,440 in cash as commission to arm's length finders, along with $60,700 in cash and 303,500 Target Broker Warrants, each convertible into one Target Unit at an exercise price of $0.20 per Target Unit, as commission to arm's length agents in connection with the Target Unit Financing.

On October 7, 2024, Shellco and Target entered into the Business Combination Agreement, pursuant to which, the parties agreed to complete the Amalgamation. The Business Combination Agreement is available on the Company's SEDAR+ profile at www.sedarplus.ca and is incorporated by reference herein.

On November 12, 2024, Target completed the Subscription Receipt Financing, pursuant to which Target issued 3,458,940 Subscription Receipts at an issue price of $0.30 per Subscription Receipt for aggregate gross proceeds of $1,037,682. On the closing date of the Subscription Receipt Financing, the Escrowed Proceeds were deposited in escrow with the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement. On December 19, 2024 the escrow release conditions set forth in the Subscription Receipt Agreement were satisfied, the Escrowed Proceeds were released to Target. In connection with the Subscription Receipt Financing, Target issued 239,781 Target Finder Warrants, each convertible into one Target Share at an exercise price of $0.30 per Target Share and $71,934 in cash, as commission to arm's length finders in connection with the Subscription Receipt Financing.

On November 25, 2024, Target completed the Target Share Financing, pursuant to which Target issued 10,185,513 Target Shares at an issue price of $0.30 per Target Share for aggregate gross proceeds of $3,055,655. In connection with the Target Share Financing, Target issued 332,876 Target Shares and $36,750 in cash as commission to arm's length finders in connection with the Target Share Financing.

In connection with the completion of the Transaction, and pursuant to the Business Combination Agreement, the following transactions were completed:

- Each Subscription Receipts outstanding was automatically converted into one Target Share.
- Each Target Share outstanding was exchanged for one Common Share.
- Each Target Warrant outstanding was exchanged for one Warrant of the Company on commensurate terms.
- Each Target Unit Warrant outstanding was exchange for one Unit Warrant of the Company on commensurate terms.
- Each stock option of Target outstanding was exchanged for one stock option of the Company on commensurate terms.
- Target amalgamated with Subco pursuant to the terms of the Amalgamation Agreement and Amalco became a wholly owned subsidiary of the Company.

Upon completion of the Transaction, the Company assumed the business of Target as described in "*Description of the Business*".

On December 10, 2024, Cboe Canada conditionally approved the listing of the Common Shares under the symbol "CZZL", subject to the Company fulfilling all of the requirements of Cboe Canada and the Company expects the Common Shares to be listed on Cboe Canada on December 30, 2024.

ITEM 3. DESCRIPTION OF THE BUSINESS

3.1 General

Cizzle is a consumer-packaged goods company, which stands at the forefront of the emerging "better-for-you" category of prepared foods. Cizzle exists to provide consumers with high-performing alternatives that are healthy, taste great, and meet their needs.

3.2 Principal Products

CWENCH Hydration

In May 2024, the Company launched CWENCH Hydration, in the sports hydration category. CWENCH Hydration is currently available in 1,000+ points of sale across North America, including Sport Chek, Canadian Tire, Source for Sports, Lifetime Fitness, and Movati Fitness.

Containing no sugar, all-natural ingredients, only 10 calories and 6+ performing electrolytes, CWENCH Hydration is a next generation sports hydration drink developed by strength coach, Andy O'Brien, and the Company's management team. CWENCH Hydration is currently offered in two formats: (i) hydration powder mix; and (ii) 500 ml ready-to-drink Tetra Paks, and is offered in four flavours: Berry Crush, Blue Raspberry, Cherry Lime, and Rainbow Swirl. The hydration powder mix comes in two sizes, a 10-serving pack of individual sachets (70 grams in total) or a 45-serving container (315 grams).

On May 28, 2024, CBI commenced sales of "CWENCH Hydration". Containing no sugar, only 10 calories and 6+ performing electrolytes, CWENCH Hydration is a next generation sports hydration drink developed by strength coach, Andy O'Brien, and the team at CBI. CWENCH Hydration is endorsed by world-class athletes, including 2024 National Hockey League ("**NHL**") MVP and Colorado Avalanche forward, Nathan MacKinnon, Montreal Canadien forward, Cole Caufield, National Basketball Association ("**NBA**") All-Star and Golden State Warrior, Andrew Wiggins, Canadian Olympic soccer player, Adriana Leon, and up-and-coming professional hockey players Gavin McKenna, Chloe Primerano and Jade Iginla.

To date, CWENCH Hydration has been ordered by more than 14 NHL Teams, 9 Major League Baseball teams, and 1 NBA team. CWENCH Hydration is currently available in over 1,000 points of distribution across North America, including SportChek, Canadian Tire, LifeTime Fitness and Source for Sports. CWENCH Hydration is also being distributed by a number of major distributors.

<u>Future Products</u>

On October 30, 2024, CBI launched "CWENCH Protein", available in chocolate and vanilla flavours, which are formulated to support overall performance, help build muscle mass and assist in the repairing body tissues.

The Company has a robust portfolio of innovative products and brands that it expects to launch over the next 12-24 months, which includes but is not limited to the products listed below. Management will continue to evaluate market conditions to determine when and if to launch any of the following products.

- **Spoken Nutrition**: a premium line of nutritional supplements, designed to bring elite athletes into the Cizzle ecosystem. Spoken Nutrition's supplements are formulated and/or reviewed by scientists, trainers and physicians, including Andy O'Brien, Ben Greenfield, Dr. Matt Frakes, and Dr. Jordan Shallow.

- **CWENCHIE**: a formulation and format of CWENCH Hydration designed specifically for children.

- **SnakStars**: a brand of snack products fortified with 8g - 12g of protein designed for the youth snack market.

- **Sport Pasta**: a high protein, low-glycemic index pasta.

3.3 Principal Markets

As of the date hereof, CWENCH Hydration is distributed in over 1,000 locations, primarily in Canada and the United States.

In Canada, Cizzle has national distribution coverage with a strong focus in three geographic markets: (i) the Greater Toronto Area; (ii) the Montreal and Ottawa corridor; and (iii) the Greater Vancouver Area.

Our distribution strategy in Canada involves a combination of: (i) direct sales to sports and specialty retailers, as well as "points of sweat" such as hockey arenas, fitness centres and training facilities; and (ii) broker/distributors in the sports and natural/organic channels.

As brand awareness grows, we anticipate that Canadian distribution will expand further to include the gas/convenience channel, mass merchandise and club channels and grocery channels.

In the United States, our focus is on hockey-centric markets, including Connecticut, Minnesota and Colorado.

As with Canada, our distribution strategy in the United States involves a combination of: (i) direct sales to sports and specialty retailers, as well as "points of sweat" such as hockey arenas, fitness centres, training facilities; and (ii) broker/distributors in the sports and natural/organic channels.

In addition to sales through retail channels, the Company maintains a solid online presence through its own website www.cwenchhydration.com as well as online retailers such as Amazon. Part of the Company's strategy is to continue its online marketing efforts in order to increase sales through e-commerce channels in a more aggressive and efficient manner.

3.4 Sales

To date, the CWENCH Hydration brand has delivered 100% of the Company's revenues. As the Company brings new brands to market, the proportionate contribution of CWENCH Hydration will naturally adjust to reflect its share of revenue over the entire portfolio of brands.

3.5 Production

The Company outsources manufacturing of its products so it can focus on our core competencies in brand development, product formulation and marketing. Presently, CWENCH Hydration's hydration powder mix is manufactured by Nutrablend Holdings Canada Inc., and the ready-to-drink is manufactured by Flow Water Inc.

3.6 Components

The main ingredient in the CWENCH Hydration ready-to-drink is primarily a combination of water, flavours, and electrolytes. The CWENCH Hydration powder mix is primarily a combination of amino acids, electrolytes and vitamins and minerals.

3.7 Research

The Company is continually exploring new product opportunities as well as piloting new flavours and ingredients. These efforts are a result of both in-house development work as well as in conjunction with third party researchers, facilities and manufacturers.

3.8 Operations

The Company's activities consist of developing, marketing, selling and distributing prepared foods and beverages in the "better for you" category under a variety of brand names. Manufacturing is outsourced to established third party manufacturers. Consequently, the Company does not own or rent any property, plant or equipment (other than a lease for its head office), nor is the Company subject to any payment terms, expiration dates and terms of any renewal options of any material leases or mortgages.

The Company purchases raw materials (i.e., ingredients for its products) from various suppliers at fair market prices.

The Company's intellectual property and goodwill play an important role in the success of the business. However, the Company is not subject to any franchise, license, software or subscription list.

As of the date hereof, there are no financial and/or operational effects in relation to environmental protection requirements on the capital expenditures, earnings and competitive position of the Company.

The Company does not foresee any risks associated with foreign operations or any dependence of the segments upon the foreign operations.

3.9 Marketing Plan and Strategies

Brand Purpose, Core Beliefs and Value Proposition

The Company's mission is to elevate the game in health & wellness by positioning itself at the forefront of an emerging secular shift happening in consumer markets. Specifically, consumers are becoming increasingly aware of how unhealthy foods continue to have a significantly negative impact on health and quality of life. Globally, obesity rates have tripled since 1975 and increased nearly 33% since 2018. In the US 42.4% of adults and 19.7% of children are classified as obese.[1] As a result, the number of people with Type 2 diabetes has increased 5x since 1980,[2] with 34.2 million Americans now having Type 2 diabetes[2] and rates climbing more steeply in children and young adults.[3]

[1]https://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight

The Company views the primary driver of the changes noted above to be diet, with ultra-processed foods often being rich in added sugars, unhealthy fats, and artificial ingredients. Sugar has become the new "bad word" in the world of health & wellness.

While some consumers attempt to eat healthier, their choices are often unappetizing, uninspired or expensive. This has created an opportunity for companies with strong brands, high quality ingredients and premium products to thrive.

The Company seeks to provide consumers with high-performing alternatives that are healthy, taste great, and meet their needs.

Marketing Strategies

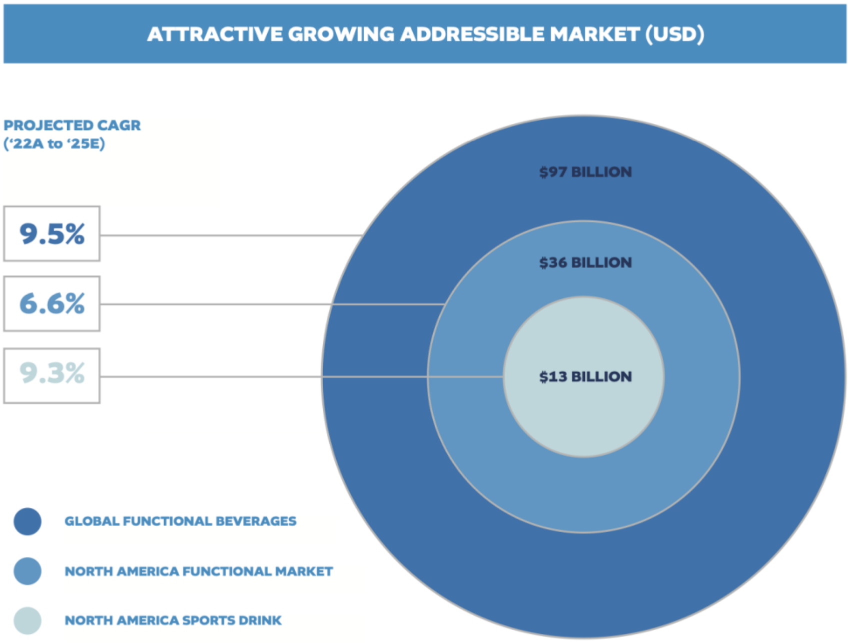
The Company undertakes a number of marketing strategies to increase brand awareness, expand distribution into new channels and drive purchases of the Company's products. All marketing activities, including channels and partners, are chosen and conducted with the brand as top of mind.

Our strategy involves trying to drive bottom-up distribution along with top-down demand to drive velocity. To achieve this, the Company is focussed on direct sales to locations frequented by target consumers, followed by in-store demonstrations, product sampling and retail activations in specific retail channels. At the same time, the Company is actively investing in athlete and creator partnerships and sponsorship programs to create top-of-funnel awareness, including with 2024 NHL MVP and Colorado Avalanche forward, Nathan MacKinnon, Montreal Canadien forward, Cole Caufield, NBA All-Star and Golden State Warrior, Andrew Wiggins, Canadian Olympic soccer player, Adriana Leon, and up-and-coming professional hockey players Gavin McKenna, Chloe Primerano and Jade Iginla. These efforts are supported by active investment in digital and social media awareness initiatives.

3.10 Competitive Conditions

The global functional beverage market is estimated to be a $97 billion dollar industry, of which $13 billion is comprised of the sports drink market. Within the sports drink market, premium products are the fastest growing price category (51%) and zero sugar products are the fastest growing category in sugar content (46%).

[2] IFS Diabetes Atlas
[3] CDC Diabetes Data & Statistics



Although the sports drink market is dominated by a few key players, by positioning CWENCH Hydration as a premium, all-natural and sugar-free sports drink, the Company believes it is well-situated to capture a growing share of the sports drink market, and the functional beverage market more broadly.

The tables below highlight some of the key players and how CWENCH Hydration is differentiated from other products in the category.

HOW WE STACK UP

		GATORADE	POWERADE	BODY ARMOUR	PEDIALYTE	PRIME
CALORIES	10 (16.7 oz)	140 (20oz)	130 (20oz)	120 (16oz)	30 (12oz)	20 (19.9oz)
TYPES OF ELECTROLYTES	6	2	2	3	5	4
SUGAR FREE	✓	✗	✗	✗	✗	✓
PRESERVATIVE FREE	✓	✓	✗	✓	✗	✗
ECO FRIENDLY	✓	✗	✗	✗	✗	✗

KEY CONSUMER CONSIDERATIONS	 16.7 oz	GATORADE 12 oz	POWERADE 12 oz	BODY ARMOUR 12 oz
PRICE TIER	PREMIUM	MAINSTREAM	MAINSTREAM	PREMIUM
CALORIES	10	80	140	120
SUGAR	0G	21g	35g	28g
SWEETNER	STEVIA	Dectrose, Sugar	High Fructose Corn Syrup	Cane Sugar
NO ARTIFICIAL FLAVORS AND COLORS	✓	✗	✗	✓
NUMBER OF INGREDIENTS	10	12	16	17
ECO-FRIENDLY PACKAGING	✓	✗	✗	✗
ELECTROLYTES	6	2	2	3

3.11 Intangible Properties

The Company invest heavily in building brand awareness for its products in key markets for its products. Accordingly, the Company looks to proactively protects its products and brands through trademarks and contractual provisions. The enforcement of the Company's intellectual property rights depends on any legal actions against any infringers being successful. These actions may not be successful or may be prohibitively expensive. As of the date of this AIF, the Company has submitted applications for the following trademarks:

- CWENCH - Trademark Application # 2294798
- CWENCH Hydration - Trademark Application # 2294810
- SNAKSTARS - Trademark Application #2316638
- S Star Logo - Trademark Application #2316637
- Sport Pasta - Trademark Application #2325757
- CWENCHIES - Trademark Application #2308920
- SPOKEN - Trademark Application #2307224

3.12 Cycles

Cizzle's business is not cyclical, however it is slightly seasonal for CWENCH Hydration with slightly increased sales during warm weather months. The Company produces and sells products throughout the entire year.

3.13 Economic Dependence

The Company entered into: (i) the Flow Agreement for the manufacturing of the Company's CWENCH Hydration ready-to-drink products; and (ii) the Nutrablend Agreement for manufacturing of its CWENCH Hydration powder mix. Although neither of these agreements are exclusive, a significant disruption or delay in production at either of the Company’s primary manufacturers could significantly impact revenues as alternative manufacturing facilities in Canada and the United States with adequate capacity may not be available at commercially reasonable rates and/or within a reasonably short period of time, if at all.

In addition, although the Company's revenues have been generated by many clients, its relationships with two vendors, specifically FGL Sports Ltd. and Van Houte Coffee Services Inc., have generated a significant proportion of revenues to date. Those relationships do not have any minimum purchase commitments from the vendors and, as a result, a decline in orders from either could have a significant impact on revenues. However, as the Company continues to expand its distribution channels and vendor partnerships, the relative importance of these two vendors is expected to decrease.

3.14 Environmental Protection

The packaging chosen by the Company for CWENCH Hydration is integral to the CWENCH Hydration story and brand. With a view to environmental sustainability, product differentiation as well as minimizing exposure to plastics, CWENCH Hydration's ready-to-drink products are offered in TETRA Pak packaging. By using TETRA Pak's for its ready-to-drink products the Company is able to reduce the CO_2 and water consumption of its packaging while maintaining longer lasting shelf-stability and minimizing consumer's exposure to microplastics.

3.15 Employees

As of the date hereof, the Company has 21 employees, all located in Canada.

3.16 Foreign Operations

Except for the contract manufacturer in Canada that makes CWENCH Hydration's ready-to-drink offerings, all manufacturing of the Company’s products currently takes place in the United States.

3.17 Lending

As of the date hereof, the Company does not conduct any lending operations, nor does it have in place any investment policies and/or investment restrictions.

3.18 Use of Available Funds

Available Funds

The Company’s estimated working capital as at November 30, 2024, being the most recent month end prior to the date of this AIF, was $7,300,000, which includes the net proceeds from the Subscription Receipt Financing and Target Share Financing.

Principal Purposes

The Company’s estimated working capital as at November 30, 2024, is intended to be used as follows:

Used of Funds	Percentage of working capital
Marketing	17%
Selling, General and Administrative Expenses	33%
Inventory	50%

The Company intends to spend its available funds as set out in this AIF. However, there may be situations where, due to changes in the Company’s circumstances, business outlook, and/or for other reasons, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives.

Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds. If management determines that a reallocation of funds is necessary, the Company may redirect its available funds towards purposes other than as described in this AIF. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under "*Risk Factors*".

Business Objectives and Milestones

The primary business objectives of the Company with respect to the use of its available funds over the next 12 months are as follows:

Milestone	Description	Estimated Timing	Type of Expense
1.	Expand the foundational account distribution of CWENCH Hydration and secure retail listings	November 2024 – January 2025	Selling, General and Administrative Expenses
2.	Expansion of marketing campaigns and advertising for CWENCH Hydration	February 2025 – April 2025	Marketing
3.	Launch of "Spoken Nutrition" product line through distribution in the fitness and sports communities	February 2025 – April 2025	Selling, General and Administrative Expenses
4.	Launch of "Sport Pasta" product line in conventional retailers and grocers	May 2025 – July 2025	Selling, General and Administrative Expenses
5.	Optimize inventory to balance cash flow and support growth.	February 2025 – July 2025	Inventory

Negative Cash Flow from Operating Activities

Since its inception, the Company has generated negative operating cash flows and there are no assurances that the Company will not experience negative cash flow from operations in the future. The Company has to this date funded its operations predominantly with proceeds from equity financings and expects to raise additional funds through equity financings.

ITEM 4. RISK FACTORS

There are certain risks associated with owning securities of the Company that holders should carefully consider. The risks and uncertainties below are not the only risks and uncertainties facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company and cause the price of its securities to decline. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of the Company's securities could decline, and holders may lose all or part of their investment. In addition to the risks described elsewhere in the Company's filings on SEDAR+ at www.sedarplus.ca, holders of securities should carefully consider each of, and the cumulative effect of all of, the following risk factors.

4.1 Risks Relating to the Company's Business, Industry and Operations

Ability to achieve and manage growth

The growth of the Company's operations may place a strain on managerial, financial and human resources and the Company's ability to continue its rate of growth will depend on a number of factors, including the availability of working capital, existing and emerging competition, the ability to maintain sufficient profit margins and to recruit and train additional qualified personnel, both with respect to sales and product development, the ability to expand its product offering and the ability to identify and successfully integrate acquisitions of other companies or products.

Failure to effectively expand sales capabilities could harm the Company's ability to increase distribution and achieve broader market acceptance of its products

Increasing the Company's customer base and achieving broader market acceptance of its products platforms will depend, in part, on its ability to effectively expand its sales and effectively conduct marketing operations to drive new sales. The Company is substantially dependent on distribution partners, its online marketing efforts and on its direct sales force to obtain new customers. The bulk of the Company's sales have historically come from a small number of key distributors that focus on the natural channel. In order to achieve its expansion goals, the Company must become less reliant on current key distributors and expand into conventional grocery/food, mass merchandise and club, and gas/convenience channels. If the Company is unable to expand its distribution, it may not be able to deliver sufficient volume for the Company to meet its internal targets. The Company's ability to achieve significant revenue growth in the future will depend, in part, on its success in recruiting, training and retaining a sufficient number of distribution partners and experienced sales professionals. Our recent and planned distribution partners may not become productive as quickly as expected. If sales expansion efforts do not generate a significant increase in revenue, business and future growth prospects could be harmed.

The Company may need additional financing in the future, which may not be available when needed or may be costly and dilutive

The Company may require additional financing to support working capital needs in the future. The amount of additional capital required, the timing of capital needs and the availability of financing to fund those needs will depend on a number of factors, including the Company's strategic initiatives and operating plans, the performance of its business and the market conditions for debt or equity financing. Additionally, the amount of capital required will depend on the Company's ability to meet its sales goals and otherwise successfully execute its operating plan. The Company believes it is imperative that it meet these sales objectives in order to lessen its reliance on external financing in the future. The Company intends to continually monitor and adjust its operating plan as necessary to respond to developments in its business, its markets and the broader economy. Although the Company believes various debt and equity financing alternatives will be available to it to support its working capital needs, financing arrangements on acceptable terms may not be available to the Company when needed. Moreover, these alternatives may require significant cash payments for interest and other costs or could be highly dilutive to the Company's existing shareholders. Any such financing alternatives may not provide the Company with sufficient funds to meet its long-term capital requirements. If necessary, the Company may explore strategic transactions that it considers to be in the best interest of the company and its shareholders, which may include, without limitation, public or private offerings of debt or equity securities, a rights offering, and other strategic alternatives; however, these options may not ultimately be available or feasible when needed.

Changes in consumer preferences may reduce demand for some of the Company's products

Consumer demand and appetite for premium hydration products and beverages in general, as well as industry trends, may change and evolve over time. The Company's future success will depend, in part, upon the Company's continued ability to maintain customer loyalty to the Company's existing product offering and develop and introduce new and innovative products over time. The Company's ability to compete, grow and differentiate itself requires it to be competitive in the areas of taste, quality, innovation and wellness. There can be no assurance of the Company's ability to do so. In addition, product lifecycles for some premium hydration brands and/or products and/or packages may be limited before consumers' preferences change. While the Company's main product profile has resonated positively in the market, and many of the Company's consumers are becoming loyal to the Company's brands and their taste profiles, there can be no assurance that such preferences will continue into the future. The Company may be unable to achieve volume growth through product and packaging differentiation in the markets in which the Company competes.

The Company's brand and image are keys to its business and any inability to maintain a positive brand image could have a material adverse effect on its results of operations.

The Company's success depends on its ability to maintain brand image for its existing products and effectively build up brand image for new products and brand extensions. The Company cannot predict whether its advertising, marketing and promotional programs will have the desired impact on its products' branding and on consumer preferences. In addition, negative public relations and product quality issues, whether real or imagined, could tarnish its reputation and image of the affected brands and could cause consumers to choose other products. The Company's brand image can also be adversely affected by unfavorable reports, studies and articles, litigation, or regulatory or other governmental action, whether involving the Company's products or those of its competitors.

The Company may be adversely impacted by the effects of high or prolonged inflation

Inflation increases the cost of goods and services the Company procures, the cost of capital projects and wages and benefits for the Company's workforce. Although the Company may take measures to mitigate the impact of inflation through pricing actions or cost reduction measures, if the Company is not able to offset inflationary costs, its results of operations will be negatively impacted and possibly in a material manner. As a result, the impact of high and prolonged inflation could have a material adverse effect on the Company's business, financial condition, or results of operations. Inflationary pressures also increase the cost of living, which decreases consumers' disposable income and could impact the Company's customers' discretionary spending habits, which could reduce customer demand for the Company's products and negatively impact the Company's revenues and operating cash flow.

Competition from traditional and large, well-financed non-alcoholic beverage manufacturers may adversely affect the Company's distribution relationships and may hinder development of its existing markets, as well as prevent the Company from expanding its markets.

The beverage industry is highly competitive. The Company competes with other beverage companies not only for consumer acceptance but also for shelf space in retail outlets and for marketing focus by its distributors, all of whom also distribute other beverage brands. The Company's products compete with all non-alcoholic beverages, most of which are marketed by companies with substantially greater financial resources than the Company. Some of these competitors are placing severe pressure on independent distributors not to carry competitive brands such as the Company. The Company also competes with regional beverage producers and "private label" beverage suppliers. The Company's direct competitors in the sports hydration category include traditional large beverage companies and distributors, and regional premium beverage companies. These national and international competitors have advantages such as lower production costs, larger marketing budgets, greater financial and other resources and more developed and extensive distribution networks than the Company. The Company may not be able to grow its volumes or maintain its selling prices, whether in existing markets or as it enters new markets. Increased competitor consolidations, market-place competition, particularly among branded beverage products, and competitive product and pricing pressures could impact the Company's earnings, market share and volume growth. If, due to such pressure or other competitive threats, the Company is unable to sufficiently maintain or develop its distribution channels, the Company may be unable to achieve its current revenue and financial targets. As a means of maintaining and expanding its distribution network, the Company intends to introduce product extensions and additional brands. The Company may not be successful in doing this, or it may take the Company longer than anticipated to achieve market acceptance of these new products and brands, if at all. Other companies may be more successful in this regard over the long term. Competition, particularly from companies with greater financial and marketing resources than the Company, could have a material adverse effect on the Company's existing markets, as well as on its ability to expand the market for its products.

The Company competes in an industry characterized by rapid changes in consumer preferences and public perception, so its ability to continue developing new products to satisfy the changing preferences of consumers will determine its long-term success.

Failure to introduce new brands, products or product extensions into the marketplace as current ones mature and to meet the changing preferences of consumers could prevent the Company from gaining market share and achieving long-term profitability. Product lifecycles can vary and consumer preferences and loyalties change over time. Although the Company tries to anticipate these shifts and innovate new products to introduce to our consumers, the Company may not succeed. Consumer preferences also are affected by factors other than taste, such as health and nutrition considerations and obesity concerns, shifting consumer needs, changes in consumer lifestyles, increased consumer information and competitive product and pricing pressures. Sales of the Company's products may be adversely affected by the negative publicity associated with these issues. If the Company does not adequately anticipate or adjust to respond to these and other changes in consumer preferences, the company may not be able to maintain and grow its brand image and its sales may be adversely affected.

The Company's reliance on distributors, retailers and brokers could affect its ability to efficiently and profitably distribute and market its products, maintain its existing markets and expand its business into other geographic markets.

The Company's ability to maintain and expand its existing markets for its products, and to establish markets in new geographic distribution areas, is dependent on its ability to establish and maintain successful relationships with reliable distributors, retailers and brokers strategically positioned to serve those areas. Most of the Company's distributors, retailers and brokers sell and distribute competing products, including non-alcoholic and alcoholic beverages, and its products may represent a small portion of their businesses. The success of this network will depend on the performance of the distributors, retailers and brokers of this network. There is a risk that the mentioned entities may not adequately perform their functions within the network by, without limitation, failing to distribute to sufficient retailers or positioning the Company's products in localities that may not be receptive to such products. The Company's ability to incentivize and motivate distributors to manage and sell its products is affected by competition from other beverage companies who have greater resources than the Company does. To the extent that the Company's distributors, retailers and brokers are distracted from selling its products or do not employ sufficient efforts in managing and selling its products, including re-stocking the retail shelves with its products, the Company's sales and results of operations could be adversely affected. Furthermore, such third-parties' financial position or market share may deteriorate, which could adversely affect the Company's distribution, marketing and sales activities.

The Company's ability to maintain and expand its distribution network and attract additional distributors, retailers and brokers will depend on a number of factors, some of which are outside of the Company's control. Some of these factors include:

- the level of demand for the Company's brands and products in a particular distribution area;
- the Company's ability to price its products at levels competitive with those of competing products; and
- the Company's ability to deliver products in the quantity and at the time ordered by distributors, retailers and brokers.

The Company may not be able to successfully manage all or any of these factors in any of its current or prospective geographic areas of distribution. The Company's inability to achieve success with regards to any of these factors in a geographic distribution area will have a material adverse effect on its relationships in that particular geographic area, thus limiting the Company's ability to maintain or expand its market, which will likely adversely affect its revenues and financial results.

The Company incurs significant time and expense in attracting and maintaining key distributors.

The Company's marketing and sales strategy depends in large part on the availability and performance of its independent distributors. The Company currently does not have, nor does it anticipate in the future that it will be able to establish, long-term contractual commitments from some of its current distributors. The Company may not be able to maintain its current distribution relationships or establish and maintain successful relationships with distributors in new geographic distribution areas. Moreover, there is the additional possibility that the Company may have to incur additional expenditures to attract and maintain key distributors in one or more of its geographic distribution areas in order to profitably exploit our geographic markets.

If the Company loses any of its key distributors or national retail accounts, its financial condition and results of operations could be adversely affected.

The Company may not be able to maintain its key distributor base. The loss of any of the Company's key distributors or national accounts would have a material adverse effect on the Company's revenues, liquidity and financial results, could negatively impact its ability to retain its relationships with its other distributors and its ability to expand its market, and would place increased dependence on its other independent distributors and national accounts.

It is difficult to predict the timing and amount of sales because most distributors and retailers are not required to place minimum orders with the Company.

The Company's independent distributors and national accounts are not required to place minimum monthly or annual orders for the Company's products. In order to reduce their inventory costs, independent distributors typically order products from the Company on a "just in time" basis in quantities and at such times based on the demand for the products in a particular distribution area. Accordingly, the Company cannot predict the timing or quantity of purchases by any of its independent distributors or whether any of its distributors will continue to purchase products from the Company in the same frequencies and volumes as they may have done in the past. Additionally, the Company's larger distributors and national partners, may make orders that are larger than the Company historically has been required to fill. Shortages in inventory levels, supply of raw materials or other key supplies could negatively affect the Company.

If the Company does not adequately manage its inventory levels, its operating results could be adversely affected.

The Company needs to maintain adequate inventory levels to be able to deliver products to distributors on a timely basis. The Company's inventory supply depends on its ability to correctly estimate demand for its products. The Company's ability to estimate demand for its products is imprecise, particularly for new products, seasonal promotions and new markets. If the Company materially underestimates demand for its products or are unable to maintain sufficient inventory of raw materials, the Company might not be able to satisfy demand on a short-term basis. If the Company overestimates distributor or retailer demand for its products, the Company may end up with too much inventory, resulting in higher storage costs, increased trade spend and the risk of inventory spoilage. If the Company fails to manage its inventory to meet demand, the Company could damage its relationships with its distributors and retailers and could delay or lose sales opportunities, which would unfavorably impact the Company's future sales and adversely affect its operating results. In addition, if the inventory of the Company's products held by its distributors and retailers is too high, they will not place orders for additional products, which would also unfavorably impact the Company's sales and adversely affect its operating results.

If the Company fails to maintain relationships with its independent contract manufacturers, its business could be harmed.

The Company does not manufacture its products but instead outsources the manufacturing process to third-party packagers and independent contract manufacturers (co-packers). The Company does not own the plants or the majority of the equipment required to manufacture and package its beverage products, and the Company does not anticipate bringing the manufacturing process inhouse in the future. The Company's ability to maintain effective relationships with contract manufacturers and other third parties for the production and delivery of its beverage products in a particular geographic distribution area is important to the success of its operations within each distribution area. Competition for contract manufacturers' business is intense, and this could make it more difficult for the Company to obtain new or replacement manufacturers, or to locate back-up manufacturers, in our various distribution areas, and could also affect the economic terms of the Company's agreements with its existing manufacturers. The Company may not be able to maintain its relationships with current contract manufacturers or establish satisfactory relationships with new or replacement contract manufacturers, whether in existing or new geographic distribution areas. The failure to establish and maintain effective relationships with contract manufacturers for a distribution area could increase the Company's manufacturing costs and thereby materially reduce gross profits from the sale of the Company's products in that area. Poor relations with any of the Company's contract manufacturers could adversely affect the amount and timing of product delivered to the Company's distributors for resale, which would in turn adversely affect the Company's revenues and financial condition. In addition, the Company's agreements with our contract manufacturers are terminable at any time, and any such termination could disrupt the Company's ability to deliver products to our customers.

The Company's dependence on independent contract manufacturers could make management of its manufacturing and distribution efforts inefficient or unprofitable.

The Company is expected to arrange for its contract manufacturing needs sufficiently in advance of anticipated requirements, which is customary in the contract manufacturing industry for comparably sized companies. Based on the cost structure and forecasted demand for the particular geographic area where the Company's contract manufacturers are located, the Company continually evaluates which of its contract manufacturers to use. To the extent demand for the Company's products exceeds available inventory or the production capacity of its contract manufacturing arrangements, or orders are not submitted on a timely basis, the Company will be unable to fulfill distributor orders on demand. Conversely, the Company may produce more product inventory than warranted by the actual demand for it, resulting in higher storage costs and the potential risk of inventory spoilage. The Company's failure to accurately predict and manage its contract manufacturing requirements and its inventory levels may impair relationships with its independent distributors and key accounts, which, in turn, would likely have a material adverse effect on the Company's ability to maintain effective relationships with those distributors and key accounts.

The Company relies upon our ongoing relationships with its key flavor suppliers. If the Company is unable to source its flavors on acceptable terms from its key suppliers, the Company could suffer disruptions in its business.

The Company currently purchases its flavor concentrate from various flavor concentrate suppliers, and continually develop other sources of flavor concentrate for each of its products. Generally, flavor suppliers hold the proprietary rights to their flavors. Although the Company has the exclusive rights to flavor concentrates developed with its current flavor concentrate suppliers, the Company does not have the list of ingredients or formulas for its flavors and concentrates. Consequently, the Company may be unable to obtain these same flavors or concentrates from alternative suppliers on short notice. If the Company has to replace a flavor supplier, the company could experience disruptions in its ability to deliver products to its customers, which could have a material adverse effect on its results of operations.

Criticism of the packaged beverage market generally could adversely affect the Company's operating results

Public criticism of single-use packaged products, including criticism by environmental organizations, could affect consumer opinions of packaged beverage products in general and/or the Company's products and result in decreased demand. Because the Company's products are packaged in 100% recyclable TETRA Paks that are non-PET (polyethylene terephthalate), as well as BPA (bisphenol A) and BHA (butylated hydroxyanisole) free, the Company has generally benefited from public criticism of packaged beverages because the Company's products are generally perceived as an environmentally friendly alternative to competing products. However, there can be no assurance that some environmental organizations and consumers will not consider all packaged beverage products to be similar, regardless of their inherent differences. Such indiscriminate consideration could result in decreased demand and profitability for the Company's products. In addition, competitors are constantly innovating sustainable packaging alternatives, and the Company's current perceived sustainability advantages may be reduced if competitors are able develop packaging that the consumers prefer.

If the Company is unable to maintain brand image or product quality, its business could suffer

The Company's success depends on the Company's ability to build and maintain brand image for its existing products, new products and brand extensions. The Company has no assurance that the Company's advertising, marketing and promotional programs will have the desired impact on the Company's products' brand image, consumer preferences and demand.

Increased competition could hurt the Company's business

The beverage industry is highly competitive, and there can be no assurance that the Company will not encounter difficulties in maintaining its current revenues or market share or position due to competition in the beverage industry. The principal areas of competition are promotional pricing, packaging, development of new products and flavours and marketing campaigns. The Company's products primarily compete with other isotonic products and also with a wide range of beverages produced by a relatively large number of manufacturers, most of which have substantially greater financial, marketing and distribution resources than the Company does. Important factors affecting the Company's ability to compete successfully include the taste and flavour of the Company's products, the Company's commitment to sustainability, attractive and differentiated packaging, trade and consumer promotions, rapid and effective commercialization of new products, branded product advertising and pricing. The Company's products compete with all beverage products and with products of much larger and substantially better-financed competitors, including the products of numerous nationally and internationally known producers. The Company also competes with companies that are smaller or primarily national or local in operations. The Company's products also compete with private label brands such as those carried by grocery store chains, convenience store chains, and club stores.

Consolidation of retailers, wholesalers and distributors and the dominant position of a limited number of key players in the industry may result in downward pressure on sales prices

A significant portion of the Company's products are distributed through retailers, wholesalers and distributors. A consolidation of retailers, wholesalers and distributors and the dominant position of certain key players in the industry could allow them to impose less favourable commercial terms to the Company, which could result in significant downward pricing pressure on the Company's products and additional costs on the Company. If the Company is unable to successfully manage the potential impact of such less-favourable commercial terms, the Company's financial results may be materially and adversely affected.

The Company's failure to accurately estimate demand for its products could adversely affect its business and financial results

The Company may not correctly estimate demand for its products. The Company's ability to estimate demand for its products is imprecise and may be less precise during periods of rapid growth, particularly in new markets. If the Company materially underestimates demand for its products or is unable to secure sufficient ingredients or raw materials including, but not limited to, TETRA Pak packaging, flavours, or functional ingredients, the Company might not be able to satisfy demand on a short-term basis. Moreover, industry-wide shortages of certain components of the Company's products have been and could, from time to time in the future, be experienced. Such shortages could interfere with and/or delay production of certain of the Company's products and could have a material adverse effect on the Company's inventory as well as business and financial results. The Company generally does not use hedging agreements or alternative instruments to manage this risk.

If the Company fails to obtain and retain high-visibility sponsorship or endorsement arrangements with celebrities, or if the reputation of any of the celebrities that the Company partners with is impaired, the business of the Company may suffer.

A principal component of the Company's marketing program is to partner with well-known celebrities and professional and amateur athletes. Although we have partnered with several well-known athletes in this manner, some of these persons may not continue their endorsements, may not continue to succeed in their fields or may engage in activities which could bring disrepute on themselves and, in turn, on us and our brand image and products.

We also may not be able to attract and partner with new celebrities that may emerge in the future. Competition for endorsers is significant and adverse publicity regarding us or our industry could make it more difficult to attract and retain endorsers. Any of these failures by us or the celebrities that we partner with could adversely affect our business and revenues.

The Company's distributors and vendors are material to the Company's success. If the Company is unable to maintain good relationships with its existing distributors and vendors, its business could suffer

There can be no assurance of continued business relationships with distributors and vendors of the Company's products. Unilateral decisions could be taken by the Company's distributors, convenience chains, grocery chains, specialty chain stores, club stores and other customers to discontinue carrying all or any of the Company's products that they are carrying at any time, which could cause the Company's business to suffer materially.

Changing retail landscape could hurt the Company's business

The rapid growth in sales through e-commerce retailers, e-commerce websites, mobile commerce applications and subscription services, and closures of physical retail operations, may result in a shift away from physical retail operations to digital channels and a reduction in impulse purchases. As the Company builds its e-commerce capabilities, the Company may not be able to develop and maintain successful relationships with existing and new e-commerce retailers without experiencing a deterioration of the Company's relationships with key customers operating physical retail channels. Further, the ability of consumers to compare prices on a real-time basis using digital technology puts additional pressure on it to maintain competitive prices.

Sales in gas chains may also be affected by improvements in fuel efficiency and increased consumer preferences for electric or alternative fuel-powered vehicles, which may result in fewer trips by consumers to gas stations and a corresponding reduction in purchases by consumers at convenience gas retailers. If the Company is unable to successfully adapt to the rapidly changing retail landscape, its share of sales, volume growth, and overall financial results could be negatively affected.

Incorrect product design or development could hurt the Company's business

The Company is actively innovating by releasing new products to remain competitive with other brands and to take advantage of market trends. Creating new products is not a risk-free process. Newly introduced products may be too early or too late for the market and may result in lower earnings than expected. Substantial costs may be incurred to develop these products which may never be recovered. Supply chain disruptions may cause delays in the release of the new products or the fulfillment of purchase orders related to these new products.

Product information misrepresentations could happen and may adversely affect the Company's business

While the Company actively works on compliance with applicable regulatory requirements, misrepresentations could happen, and they may induce the Company's customers to purchase its products. The Company may omit, innocently, unintentionally, or on the basis that the information was not available at the time of the representation, to warn consumers of the risks of using a product, to overemphasize what the product could do, to overstate what the product is used for, or simply fail to list an ingredient. That misrepresentation could be the basis for a product liability action against the Company if a misrepresentation or omission were to occur, which could adversely affect the Company's brand reputation, the demand for the Company's products and the Company's profitability.

The Company relies on third party distributors and other logistics providers

The Company relies on third party distributors, certain logistics providers and other courier services and may in the future rely on other third parties, to distribute its products or provide other services. If these distributors and service providers do not successfully carry out their contractual duties, if there is a delay or interruption in the distribution of the Company's products, or if these third parties damage the Company's products or reputation, it could have a material adverse effect on the Company's business, financial condition, results of operations or prospects. Any damage to the Company's products, such as product spoilage, could expose the Company to potential product liability, damage its reputation and the reputation of its brands or otherwise harm its business.

The Company relies on key inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

The Company's success relies on its quality control systems

The quality and safety of the Company's products are critical to the success of the Company's business and operations. As such, it is imperative that the Company's (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Company strives to ensure that all of its service providers have implemented and adhere to high calibre quality control systems, the Company could experience a significant failure or deterioration of such quality control systems. If, as a result of a failure in the Company (or the Company's service providers') quality control systems, contamination of, or damage to, the Company's inventory or packaged products occurs, the Company may incur significant costs in replacing the inventory and recalling products. The Company may be unable to meet customer demand and may lose customers who have to purchase alternative brands or products. In addition, consumers may lose confidence in the affected products. A loss of sales volume from a contamination event may occur, and such a loss may affect the Company's ability to supply its current customers and to recapture their business in the event they are forced to switch products or brands, even if on a temporary basis. The Company may also be subject to legal action as a result of a contamination, which could result in negative publicity and affect the Company's sales. During this time, the Company's competitors may benefit from an increased market share that could be difficult and costly to regain.

The Company is subject to risks and uncertainty regarding future product development

The Company expects to derive a portion of our future revenues from the sale of new products, some of which are still being actively developed and put into production. If the Company fails to adequately meet market demand for such products in a timely fashion, it may adversely impact the Company's profitability.

Risks Related to the Company's Human Capital

The Company's business is dependent, to a large extent, upon the services of its senior management. The Company does not maintain key person life insurance for any members of its senior management. The loss of services of the Company's Executive Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or any other key members of its senior management team could adversely affect the Company's business until suitable replacements can be found. There may be a limited number of personnel with the requisite skills and industry experience to serve in these positions and the Company may be unable to locate or employ such qualified personnel on acceptable terms.

4.2 Financial, Credit and Liquidity Risks

Revenues derived entirely from packaged beverages

Virtually all of the Company's revenue is derived from the manufacture and sale of packaged beverages. Any decrease in the sales of its brand and packaged beverages generally could significantly adversely affect future revenues and net income. The Company's products compete directly with many other brands. The increasing number of competitive products and a limited amount of shelf space in retail stores may adversely impact the Company's ability to gain or maintain share of sales in the marketplace. In addition, certain actions of the Company's competitors, including unsubstantiated and/or misleading claims, false advertising claims and tortious interference in the Company's business, as well as competitors selling misbranded products, could impact the Company's sales. Competitive pressures in the packaged beverage category could impact the Company's revenues, cause price erosion and/or lower market share, any of which could have a material adverse effect on the Company's business and results of operations.

Increases in costs and/or shortages of raw materials and/or ingredients and/or fuel could harm the Company's business

The principal raw materials used by the Company, are the added flavours and electrolytes, TETRA Pak packaging and the corrugate outer packaging it's shipped in, the costs of which are subject to fluctuations. Fluctuations in prices of raw materials for the Company's products could have a material impact on the Company's cost structure, margins and financial results. The Company generally does not use hedging agreements or alternative instruments to manage the risks associated with securing sufficient ingredients or raw materials. In addition, some of these raw materials are available from a limited number of suppliers, and the TETRA Pak packaging is only available from the Tetra Pak Group. With the careful use of multiple suppliers for most raw materials, as well as maintaining a close working relationship with the Tetra Pak Group, the Company has been able to maintain relatively stable sources and prices for its raw materials and production costs. There is no guarantee that this will continue in the future.

Fluctuation of quarterly operating results

Revenue is difficult to forecast and may fluctuate significantly from quarter to quarter. Delays, reduction in scope or cancellation of orders could have a material adverse effect on the Company's business, financial condition and results of operations. Quarter-to-quarter comparisons of the Company's operating results are not necessarily meaningful and should not be relied upon as indications of likely future performance. Reductions in revenue or net income between quarters or the Company's failure to achieve expected quarterly earnings could cause the market price of the Company's tradable securities to decline or have a material impact on their value.

No assurance of profitability

The Company has not achieved profitability in the past, and there can be no assurance that the achievement of such results will be achieved in the future. The future development of the Company's interests may require additional financing. There are no assurances that such financing will be available, or if available, available upon terms acceptable to the Company. The Company may issue additional equity or debt securities in subsequent offerings to finance its operations or expansion which may cause dilution to shareholders. Debt and equity financing, if available, may involve agreements that include covenants limiting or restricting The Company's ability to take specific actions, such as redeeming shares, making investments, incurring additional debt, making capital expenditures, declaring dividends or placing limitations on the Company's ability to acquire, sell or license intellectual property rights or make strategic acquisitions.

Fluctuations in foreign currency exchange rates may adversely affect the Company's operating results

The Company is exposed to foreign currency exchange rate risk with respect to its sales, expenses, profits, assets and liabilities. While many of these risks offset each other within the Company's operations, the Company still has net exposure to foreign currency fluctuations, particularly in regard to the U.S. dollar. The Company generally does not use instruments to hedge certain foreign currency risks and is not protected against foreign currency fluctuations.

As a result, the Company's reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favourable impacts on profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time.

4.3 Legal, Regulatory and Tax Risks

Significant changes in government regulation may hinder sales

The production, distribution and sale of the Company's products are subject to various federal, provincial and state regulations, including, but not limited to food and drug regulation; health and safety laws, various environmental statutes; and various other federal, provincial state and local statutes and regulations applicable to the production, transportation, sale, safety, advertising, labelling and ingredients of such products. New statutes and regulations may also be instituted in the future. If a regulatory authority finds that a current or future product or production run is not in compliance with certain of these regulations, the Company may be fined, or such products may have to be recalled and/or reformulated and/or have the packaging changed, adversely affecting the Company's financial condition and operations. In particular, regulations that apply to functional ingredients may change and become more stringent over time, and the Company cannot predict how such developments may impact the costs or sales of its products.

Contamination or recalls of the Company's ingredients or end products could adversely affect its business

While the Company has robust processes in place to avoid these situations, product contamination events or recalls may occur. The Company's ingredients or end products could be subject to product liability claims or recalls due to contamination, poisoning or other factors. Product quality and/or ingredient content issues, efficacy or lack thereof, real or imagined, or allegations of product contamination, even if false or unfounded, could tarnish the image of the affected brands and may cause consumers to choose other products. In certain instances, the Company may be required to recall products from specific markets or batches. Product recalls could adversely affect the Company's profitability and the Company's brand image. While the Company has not experienced any material product liability litigation to date, there is no assurance that the Company will not experience such litigation in the future. In the event the Company were to be subject product liability claims or a product recall, its financial condition and business operations could be materially adversely affected.

Litigation or legal proceedings could expose the Company to significant liabilities and thus negatively affect its financial results

The Company may become party, from time to time, to various litigation claims and legal proceedings, including, but not limited to, intellectual property, unfair business practices and false advertising, breach of contract claims and product liability. Defending any such proceedings could result in significant ongoing expenditures and the continued diversion of the Company's management's time and attention from the operation of the Company's business, which could harm its business operations. The Company's failure to successfully defend or settle any litigation or legal proceedings could result in liability that, to the extent not covered by the Company's insurance, could have a material adverse effect on the Company's financial condition, revenue and profitability, and could cause the market value of its tradable securities to decline.

Future effective tax rates could be subject to volatility or adversely affected by a number of factors

The Company's future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

The Company currently conducts activities in Canada and the United States through its subsidiaries pursuant to transfer pricing arrangements and may in the future conduct operations in other jurisdictions pursuant to similar arrangements. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length. While the Company believes that it operates in compliance with applicable transfer pricing laws and intends to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities were to successfully challenge the Company's transfer pricing methodology as not reflecting arm's length transactions, they could require the Company to adjust its transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher tax liability.

4.4 Environmental Risks

Catastrophic events could impact the Company's operations and affect the Company's ability to grow its business

Because of the Company's increasing geographical presence, the Company's business could be affected by unstable political conditions, civil unrest, large-scale terrorist acts, the outbreak or escalation of armed hostilities, major natural disasters or widespread outbreaks of infectious diseases. Such events could impact the production and distribution of the Company's products. In addition, such events could disrupt global or regional economic activity, which could affect consumer purchasing power, thereby reducing demand for the Company's products. The Company's growth rate could decline as a result of these factors.

Climate change may negatively affect the Company's business

There is concern that a gradual increase in global average temperatures could cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. While warmer weather has historically been associated with increased sales of the Company's products, changing weather patterns could result in decreased agricultural productivity in certain regions, which may limit availability or increase the cost of certain key ingredients used in the Company's products. Increased frequency or duration of extreme weather conditions could also impair production capabilities, and disrupt the Company's supply chain including, without limitation, the availability of and/or result in higher prices for functional ingredients and natural flavours, or impact demand for the Company's products. In addition, public expectations with respect to environmental impact could result in increased energy, transportation and raw material costs and may require the Company to make additional investments in facilities and equipment. Climate change related natural disasters could negatively affect the economy as a whole, and thereby impact consumers' ability to purchase the Company products. As a result, the effects of climate change could have a long-term adverse impact on the Company's business and results of operations.

The Company's business is seasonal and adverse weather conditions could negatively affect its business

The sales of the Company's products are influenced to some extent by weather conditions in the markets in which the Company operates. Unusually cold or rainy weather during the summer months may reduce the demand for the Company's packaged beverages and other products and contribute to lower revenues, which could negatively affect the Company's profitability.

4.5 Risks Related to the Company's Information Technology, Cyber Security and Data Protection

The Company depends on key information systems and third-party service providers

The Company depends on key information systems to accurately and efficiently transact its business, provide information to management and prepare financial reports. The Company relies on third-party providers for various networking, application hosting and related business process services which support its key information systems. Issues with performance by these third-parties may disrupt the Company's operations and as a result, its operating expenses could increase, which could negatively affect its results of operations.

In addition, these systems and services are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, terrorist attacks, software, equipment or telecommunications failures, processing errors, computer viruses, hackers, other security issues or supplier defaults. Security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions, all of which could negatively affect the Company's business and results of operations.

The Company's intellectual property rights are critical to its success, and loss of such rights could materially affect its business

The Company has registered for trademarks that are important to its business. The Company regards trademarks, copyrights, trade secrets, and similar intellectual property as critical to its success and attempt to protect such intellectual property with registered and common law trademarks and copyrights, restrictions on disclosure and other actions to prevent infringement. However, there can be no assurance that other third parties will not infringe or misappropriate the Company's trademarks and similar proprietary rights. If the Company loses some or all of its intellectual property rights, its business may be materially adversely affected.

If the Company is unable to securely maintain its customers' confidential or credit card information, or other private data relating to the Company or its employees, the Company could be subject to negative publicity, costly government enforcement actions or private litigation, which could damage its business reputation and negatively affect its results of operations

The protection of the Company's customer, employee and company data is critical. The Company has procedures and technology in place to safeguard its customers' debit card, credit card and other personal information, the Company's employees' private data and corporate records and intellectual property. However, if the Company experiences a data security breach of any kind, it could be exposed to negative publicity, government enforcement actions, private litigation or costly response measures. In addition, the Company's reputation within the business community and with its customers may be affected, which could result in the Company's customers discontinuing their purchases of its products and services or their use of the debit or credit card payment option. Any loss of the Company's ability to securely offer its customers a credit card payment option would make its products less attractive by negatively affecting the Company's customer experience and significantly increasing the administrative costs related to customer payment processing. This could cause the Company to lose customers and could have a negative effect on its results of operations.

In addition, the regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements. Compliance with changes in privacy and information security laws and standards may result in significant expenses due to increased investment in technology and the development of new operational processes.

The Company must continually maintain and/or upgrade its information technology systems

Information technology helps the Company operate efficiently, interface with customers, maintain financial accuracy and efficiency, and accurately produce its financial statements. If the Company does not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, the Company could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions, or the loss of or damage to intellectual property through security breach. If the Company's data management systems, including the Company's enterprise resource planning system, do not effectively collect, store, process and report relevant data for the operation of the Company's business, whether due to equipment malfunction or constraints, software deficiencies, or human error, the Company's ability to effectively plan, forecast and execute its business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect the Company's financial condition, results of operations, the Company's cash and the timeliness with which the Company reports its internal and external operating results.

Conflicts of Interest

Certain directors and officers of the Company are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the products the Company intends to provide. Situations may arise where the other interests of these directors and officers conflict with or diverge from the Company's interests. Certain conflicts may be required to be disclosed in accordance with internal policies or procedures as well as remedies available under applicable corporate law, although such policies, procedures and remedies may not fully protect the Company. In addition, in conflict-of-interest situations, the directors and officers of the Company may owe the same duty to another company and will need to balance their competing interests. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

4.6 Risks Relating to the Ownership of the Common Shares

No operating history as a public company

The Common Shares are not yet listed on an public stock exchange and therefore the Company has a no operating history as a public company. To operate effectively as a public company, the Company will be required to continue to implement changes in certain aspects of the Company's business, improve information systems and develop, manage and train management-level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the business, financial condition, liquidity and results of operations of the Company and, more specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Common Shares.

Potential Volatility of Share Price

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) sales or anticipated sales of additional Common Shares; (vi) significant acquisitions or amalgamations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets. Financial markets have historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the trading price of the Common Shares may be materially adversely affected.

No Assurance of Active Market for Shares

There can be no assurance that an active and liquid market for the Common Shares will develop or be maintained. If an active public market does not develop or is not maintained, shareholders of the Company may have difficulty selling the Common Shares that such shareholders will acquire as a result of the Transaction. The market price of the Common Shares may materially decline below the initial trading price.

Dividends

It is not anticipated that the Company will pay any dividends in the foreseeable future. The declaration of dividends will be at the discretion of Company's board of directors, even if Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on Company's financial results, cash requirements, future prospects and other factors deemed relevant by its board of directors.

A return on the Company's securities is not guaranteed

There is no guarantee that the Company's securities will earn any positive return in the short term or long term. A holding of the Company's securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of the Company's securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Global Financial Conditions

Global financial conditions have always been subject to volatility. This volatility may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. Increased levels of volatility and market turmoil can adversely impact the Company's operations and the value, and the price of the Common Shares could be adversely affected.

Future Sales of Common Shares by Existing Shareholders

If the Common Shares become listed on a stock exchange, sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. The Common Shares of certain shareholders of the Company will be subject to lock-up agreements for a period of time following the completion of the Transaction. If the restrictions in such lock-up agreements expire or are waived, additional Common Shares will be available for sale in the public market, subject to applicable securities laws and stock exchange requirements, which could reduce the market price for the Common Shares.

Additional Issuances and Dilution

The Company may issue and sell additional securities to finance its operations. The Company cannot predict the size or type of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Company's issued and outstanding securities from time to time. Sales or issuances of substantial amounts of the Company's securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Company's issued and outstanding securities from time to time. With any additional sale or issuance of the Company's securities, holders will suffer dilution with respect to voting power and may experience dilution in the Company's earnings per share.

Publication of Inaccurate or Unfavourable Research and Reports

The trading market for the Common Shares will rely in part on the research and reports that securities analysts and other third parties choose to publish about the Company. The Company will not control these analysts or other third parties. The price of the Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Company or cease publishing reports about the Company. If one or more analysts cease coverage of the Company or fail to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which in turn could reduce the market price for the Common Shares or trading volume to decline.

There are costs associated with maintaining a public listing

If the Common Shares become listed on a Canadian stock exchange, the Company will be subject to the reporting requirements, rules and regulations under the applicable Canadian securities laws and rules of stock exchange(s) on which the Company's securities may be listed. There are increased costs associated with legal, accounting and other expenses related to such regulatory compliance. Securities legislation and the rules and policies of the Canadian Securities Administrators and stock exchanges require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

ITEM 5. DIVIDENDS

5.1 Dividends or Distributions

The Company has not declared or paid any cash dividends on its Common Shares since the date of its incorporation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and does not expect to pay dividends or to make any other distributions in the near future. The Board will review this policy from time to time having regard to the Company's financing requirements, financial condition and other factors considered to be relevant.

ITEM 6. DESCRIPTION OF CAPITAL STRUCTURE

6.1 General Description of Share Capital

The Company is authorized to issue an unlimited number of Common Shares.

As of the date of this AIF, the Company has issued and outstanding: (i) 196,173,264 Common Shares; (ii) 26,010,000 stock options to acquire up to an aggregate of 26,010,000 Common Shares with exercise prices of ranging from $0.20 to $0.30 per Common Share; (iii) 39,334,416 Warrants entitling the holders thereof to acquire up to an aggregate of 39,334,416 Common Shares with exercise prices ranging from $0.30 to $0.40 per Common Share; and (iv) 303,500 Unit Warrants entitling the holders thereof to acquire up to an aggregate of 303,500 Units at an exercise price of $0.20 per Unit, with each Unit composed of one (1) Common Share and one-half of one (0.5) Warrant, each full Warrant exercisable into one (1) Common Share at an exercise price of $0.40 per Common Share.

6.2 Common Shares

Each holder of Common Shares is entitled to one vote per Common Share held on all matters submitted to a vote of the shareholders, including the election of directors.

Holders of Common Shares are entitled to receive dividends, if any, as may be declared from time to time by the Board. In the event of the liquidation, dissolution or winding up of the Company, holders of Common Shares will be entitled to receive a proportionate share, on a per-share basis, of the assets legally available for distribution to shareholders after the payment of all of the Company's debts and other liabilities.

Holders of the Common Shares have no pre-emptive, conversion or subscription rights, and there is no redemption or sinking fund provisions applicable to the Common Shares.

ITEM 7. MARKET FOR SECURITIES

7.1 Trading Price and Volume

The Common Shares are not listed or posted for trading on any stock exchange and have never been listed and posted for trading on any stock exchange.

Cboe Canada has conditionally approved the listing of the Common Shares under the symbol "CZZL", subject to the Company fulfilling all of the requirements of Cboe Canada and the Company expects the Common Shares to be listed on Cboe Canada on December 30, 2024.

7.2 Prior Sales

The following table details the issuances of securities by the Company during the year ended July 31, 2024 and prior to the date hereof, as part of each class of securities of the Company that is not listed or quoted on a marketplace.

Date of Issuance	Number of Securities Issued and Class	Price per Security / Exercise Price
February 14, 2024	12,550,000 Options	$0.20
February 22, 2024	250,000 Options	$0.20
February 26, 2024	25,000 Options	$0.20
June 1, 2024	100,000 Options	$0.20
July 1, 2024	50,000 Options	$0.20
July 5, 2024	6,980,000 Options	$0.20
July 13, 2024	303,500 Unit Warrants	$0.20
August 7, 2024	1,345,000 Options	$0.20
August 28, 2024	39,094,635 Warrants	$0.40
September 1, 2024	50,000 Options	$0.30
October 1, 2024	100,000 Options	$0.30
November 1, 2024	1,150,000 Options	$0.30
November 12, 2024	239,781 Warrants	$0.30
November 28, 2024	600,000 Options	$0.30
December 1, 2024	2,745,000 Options	$0.30
December 15, 2024	150,000	$0.30
December 16, 2024	25,000 Options	$0.30

ITEM 8. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

8.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

In connection with the Transaction, Cboe Canada has discretion, in certain circumstances, to impose escrow provisions on the Common Shares being issued to certain shareholders of Target. All Common Shares held by the Principals of the Company following the completion of the Transaction are subject to an escrow agreement to be entered into with the Escrow Agent. "**Principals**" of the Company include all directors, all senior officers and any shareholder who held 20% or more of the Common Shares following the completion of the Transaction. It also includes any shareholder of the Company who held, following the completion of the Transaction, 10% or more of the Common Shares and who has elected or appointed, or has the right to elect or appoint, one or more directors or officers of the Company. Any spouse or relative of a Principal who resided with a Principal were also subject to the escrow requirements of Cboe Canada.

The following table sets out the securities that were, to the Company's knowledge, held in escrow and the percentage that number represents of the outstanding securities of that class as at the date of this AIF:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	41,223,327	21.0%
Options to purchase Common Shares	9,175,000	35.3%
Warrants to purchase Common Shares	750,000	1.9%

The securities of the Company held by the Principals set out in the table above (collectively, the "**Escrowed Securities**") will be released from escrow in accordance with the following schedule:

Amount of Escrowed Securities	Release Date
1/4 of the Escrowed Securities	Upon the listing date of the Common Shares
1/4 of the Escrowed Securities	6 months from the listing date of the Common Shares
1/4 of the Escrowed Securities	12 months from the listing date of the Common Shares
The remaining Escrowed Securities	18 months from the listing date of the Common Shares

As of the date of this AIF, 89,356,660 Common Shares held by certain shareholders of the Company are subject to contractual lock-up agreements, representing roughly 45.5% of the issued and outstanding Common Shares, with the following release schedules.

Designation of Class	Number of Securities Held in Escrow	Release Date
Common Shares	42,056,660	100% released on the earlier of: (i) 12 months from December 19, 2024; and (ii) the date on which the 10-day VWAP for the Common Shares reaches at least $0.60.
Common Shares	47,300,000	1/4 on listing of the Common Shares; 1/3 of remainder six months from listing; 1/2 of balance 12 months from listing; and Remainder 18 months from listing; provided that no Common Shares shall be released in the first 12 months from December 19, 2024 unless the 10-day VWAP for the Common Shares reaches at least $0.60.

ITEM 9. DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The following table sets out the name, province or state, and country of residence, positions and offices held with the Company, the period during which each director has served as a director and the principal occupations of each of the directors and executive officers as of the Company since incorporation. Directors of the Company hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed.

Name and Residence	Position Held	Director Since	Principal Occupation
John Celenza[2,3,4] King City, Ontario	Director, CEO and Corporate Secretary	December 19, 2024	CEO of Cizzle Brands Corporation; Previously CEO of BioSteel Sports Nutrition Inc.
Steven Tschirhart[5] Toronto, Ontario	CFO	N/A	CFO of Cizzle Brands Corporation; Previously Head of Coffee Canada for Heinz Kraft, Finance Director, Grocery Division
Tucker Wright[6] Toronto, Ontario	President & Chief Revenue Officer	N/A	President & Chief Revenue Officer of Cizzle Brands Corporation; Previously Chief Commercial Officer, BioSteel Sports Nutrition Inc.
Anthony Mila[7] King City, Ontario	Chief Marketing Officer	N/A	Chief Marketing Officer of Cizzle Brands Corporation; CEO of HighRise Marketing Inc.; Previously, Vice President, Sales of Otherlife; Chief Marketing Officer of BioSteel Sports Nutrition Inc.
Blane Kaufman[8] Toronto, Ontario	Chief Operating Officer	N/A	Chief Operating Officer of Cizzle Brands Corporation; President, Midnight Investments; Previously, Head of Operations, BioSteel Sports Nutrition Inc.
Barrington Miller[1,2,3,9] Mississauga, Ontario	Director	December 19, 2024	President, Grove Corporate Services Inc.; Previously Director, Issuer Engagement at The Canadian Securities Exchange
Andy O'Brien[10] Etobicoke, Ontario	Director	December 19, 2024	President, OBSW Inc.; Director of Player Health and Performance, Quartexx Management.
Lauri Holomis[1,3, 11] Toronto, Ontario	Director	December 19, 2024	VP, Marketing, The Gretzky Foundation
Nunziato Fatorre[1,2,12] Toronto, Ontario	Director	December 19, 2024	Manager, Dendrite Inc.

Notes:
(1) Member of the Audit Committee
(2) Member of the Compensation Committee.
(3) Member of the Nominating & Corporate Governance Committee
(4) Owns 15,723,327 Common Shares, 1,500,000 stock options
(5) Owns 825,000 stock options
(6) Owns 12,000,000 Common Shares, 1,000,000 stock options
(7) Owns 10,000,000 Common Shares, 1,000,000 stock options

(8) Owns 1,500,000 stock options
(9) Owns 250,000 stock options
(10) Owns 2,500,000 stock options both directly and indirectly though OBSW Consulting Inc.
(11) Owns 350,000 stock options
(12) Owns 3,500,000 Common Shares, 750,000 warrants, 250,000 stock options

The directors of the Company are elected by the shareholders at each annual general meeting and typically hold office until the next annual general meeting at which time they may be re-elected or replaced.

As at the date of this AIF, the directors and executive officers of the Company as a group beneficially owned or controlled or directed, directly or indirectly, 41,223,327 Common Shares representing approximately 21.0% of the outstanding Common Shares. The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction are exercised by the directors and executive officers, not being within the knowledge of the Company, has been furnished by such directors and executive officers.

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the Company's knowledge, except as disclosed herein, no director or executive officer of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as disclosed immediately below, to the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

John Celenza, the Company's CEO, served as the CEO of BioSteel Sports Nutrition Inc. from 2009 to March 2023. Canopy Growth Ltd., majority shareholder of BioSteel Sports Nutrition Inc., elected to initiate creditor protection under the CCAA for the company, which occurred on September 14, 2023, over 6-months after Celenza ceased to be the CEO thereof.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.3 <u>Conflicts of Interest</u>

To our knowledge, there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries, directors, officers or subsidiaries.

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

ITEM 10. PROMOTERS

John Celenza, CEO of the Company, may be considered a promoter of the Company in that he took the initiative in organizing the current business of the Company. Mr. Celenza is the registered holder of 15,723,327 Common Shares and 1,500,000 stock options to acquire Common Shares.

Other than as disclosed in this AIF, no person who was a promoter of the Company:

- received anything of value directly or indirectly from the Company;
- sold or otherwise transferred any asset to the Company within the last 2 years;
- is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
- is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;
- is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

- has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the person;

- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

ITEM 11. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In July 2024, a claim of passing off and breach of Section 7(b) of the *Trademark Act* (Canada) was brought against John Celenza, Cizzle Brands Ltd. and Cizzle Brands Inc. in the Ontario Superior Court of Justice seeking injunctive relief and unspecified damages. The claim against John Celenza was discontinued by the plaintiff in August 2024, and an interlocutory injunction sought by the plaintiff was denied by the Ontario Superior Court of Justice in October 2024. Based on the successful defence of the interlocutory injunction, the Company anticipates that the plaintiff will discontinue the action. However, the respondents have prepared a statement of defence against the allegations and intend to vigorously defend the case if required. While the Company believes that the claims are without merit, the case is continuing. Litigation by its nature is unpredictable and while we remain confident that the case will be decided in our favour, in the event that the case is decided against us, it could result in a potential injunction and/or the payment of damages.

ITEM 12. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF and in the Company's financial statements, none of the directors or executive officers of the Company, nor any shareholder directly or indirectly beneficially owning, or exercising control or direction over, shares carrying more than ten (10%) percent of the voting rights attached to Common Shares, nor an associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, in any transactions involving the Company that materially affected or would materially affect the Company or any of its subsidiaries.

ITEM 13. TRANSFER AGENTS AND REGISTRARS

13.1 Transfer Agents and Registrars

The Company's registrar and transfer agent is Odyssey Trust Company, at its principal office in Toronto, Ontario.

ITEM 14. MATERIAL CONTRACTS

14.1 Material Contracts

The only material contracts entered into by the Company, other than in the ordinary course of business, within the most recently completed financial year, or before the most recently completed financial year that are still in effect are as follows:

- The Business Combination Agreement;

- The Subscription Receipt Agreement;

- The Flow Agreement; and

- The Nutrablend Agreement.

The Company confirms that it has posted all material contracts listed in this AIF on its SEDAR+ profile at www.sedarplus.ca.

ITEM 15. INTERESTS OF EXPERTS

15.1 Names of Experts

The Company's independent auditor is MNP LLP, located at 1 Adelaide Street East, Suite 1900, Toronto, Ontario, M5C 2V9. MNP LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

The former independent auditor of the Company (previously existing as Shellco) was Stern & Lovrics LLP, with an address at 302-1210 Sheppard Avenue East, Toronto, Ontario, M2K 1E3. Stern & Lovrics LLP was independent to the Company (previously existing as Shellco) within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ITEM 16. ADDITIONAL INFORMATION

16.1 Additional Information

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be contained in the Company's information circular for its next annual and general meeting of its shareholders. Additional information is also provided in the Company's financial statements and MD&A for its most recently completed financial year.

16.2 Audit Committee

The Audit Committee is comprised of Barrington Miller, Lauri Holomis and Nunziato Fattore. Each member of the Audit Committee is considered "independent" as that term is defined in Multilateral Instrument 52-110 – *Audit Committees* and "financially literate" as defined in Multilateral Instrument 52-110 – *Audit Committees.* The Company has adopted a Charter of the Audit Committee in substantially the form set out at in Schedule A.

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. The Audit Committee is responsible for: conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; assessing the integrity of internal controls and financial reporting procedures; ensuring implementation of internal controls and procedures; reviewing the quarterly and annual financial statements and management's discussion and analysis of the Company; selecting and monitoring the independence, performance and remuneration of the external auditors; oversight of all disclosure relating to financial information; and pre-approving any non-audit services to be provided to the Company by any external auditors and the fees for those services. The Audit Committee is also responsible for reviewing and following the procedures established in the Company's codes, policies and guidelines as may be established from time to time.

Relevant Educational Experience

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is set forth below.

Barrington Miller

Mr. Miller has held senior executive positions in a variety of organizations, including presently as Managing Director of Alliance Advisors, and previously as President of Grove Corporate Services, which provides fractional CFO and corporate secretarial services. In addition, Mr. Miller has worked in the finance industry, serving as Senior Trader for Raymond James and a Registered Trader for Dundee.

Lauri Holomis

Ms. Holomis has been an entrepreneur for nearly a decade as owner of Ryla Marketing & Consulting, a strategic marketing firm. She has also served in senior roles at various organizations, including The Gretzky Foundation where she served VP, Events and Marketing.

Nunziato Fattore

Mr. Fattore has been a business owner for his entire career, through his work at Dendrite Inc. and in his capacity as owner and operator of a number of Bruno's Fine Foods grocery store locations across the Greater Toronto Area.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in section 2.4, 3.2, 3.3(2), 3.4, 3.6, 3.8 or Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted and are not currently planned for the Company. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis as applicable.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

Year ended July 31	Audit Fee ($)	Audit Related Fees ($)	Tax Fees ($)	All Other Fees ($)
2024[1]	Nil	Nil	Nil	Nil
2023[1]	$6,000	Nil	$1,500	Nil

Notes:
(1) The audit fees are in relation to fees paid by Shellco prior to the completion of the Transaction.

ITEM 17. ADDITIONAL DISCLOSURE

17.1 Voting Securities

As of the date of this AIF, there are 196,173,264 Common Shares outstanding. Each Common Share entitles the holder thereof to one vote at a meeting of the shareholders of the Company.

To the knowledge of the Board and senior officers of the Company, as of the date of this AIF, there are no persons or companies beneficially owning or controlling or directing, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company.

17.2 Director and Executive Compensation

Compensation Discussion and Analysis

At no time prior to the date of this AIF was Target a reporting issuer for the purposes of Canadian securities laws. Significant elements of the compensation to be awarded to, earned by, paid to or payable to NEOs of the Company following the completion of the Transaction have not yet been determined.

Director and NEO Compensation Excluding Compensation Securities

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Target, excluding compensation securities, prior to the completion of the Transaction, for the NEOs and directors of Target for Target's most recently completed financial year.

Table of compensation excluding compensation securities							
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of All Other Compensation ($)**	**Total Compensation ($)**
John Celenza CEO and Director	2024	$200,000	Nil	Nil	$20,000	Nil	$220,000
Tucker Wright President and Chief Revenue Officer	2024	$200,000	Nil	Nil	Nil	Nil	$200,000
Ronan Levy Chief Strategy Officer and Director	2024	$200,000	Nil	Nil	Nil	Nil	$200,000
Anthony Mila Chief Marketing Officer	2024	$200,000	Nil	Nil	Nil	Nil	$200,000
Setti Coscarella Chief Corporate Development Officer and Director	2024	$200,000	Nil	Nil	Nil	Nil	$200,000
Blane Kaufman Chief Operating Officer	2024	$200,000	Nil	Nil	Nil	Nil	$200,000

Stock Option and Other Compensation Securities

The following table sets forth information concerning all compensation securities granted or issued to each director and NEO of Target for the year ended July 31, 2024:

Table of compensation securities							
Name and Principal Position	**Type of Compensation Security**	**Number of compensation securities, number of underlying securities and % of class**	**Date of Issue or Grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
John Celenza CEO and Director	Stock Option	1,500,000 Common Shares	February 14, 2024	$0.20	N/A	N/A	February 14, 2034
Tucker Wright President and Chief Revenue Officer	Stock Option	1,000,000 Common Shares	February 14, 2024	$0.20	N/A	N/A	February 14, 2034
Ronan Levy Chief Strategy Officer and Director	Stock Option	1,000,000 Common Shares	February 14, 2024	$0.20	N/A	N/A	February 14, 2034
Anthony Mila Chief Marketing Officer	Stock Option	1,000,000 Common Shares	February 14, 2024	$0.20	N/A	N/A	February 14, 2034
Setti Coscarella Chief Corporate Development Officer and Director	Stock Option	1,000,000 Common Shares	February 14, 2024	$0.20	N/A	N/A	February 14, 2034
Blane Kaufman Chief Operating Officer	Stock Option	1,000,000 Common Shares 500,000 Common Shares	February 14, 2024 May 23, 2024	$0.20	N/A	N/A	February 14, 2034 May 23, 2024

No director or NEO of Target exercised any compensation securities during the year ended July 31, 2024.

17.3 <u>Compensation Incentives</u>

Target adopted the Legacy Option Plan in February 2024 for the benefit of, employees, directors, officers and consultants of Target (including its subsidiaries).

The Legacy Option Plan was administered by the board of directors of Target. Upon the completion of the Transaction, each stock option of Target, whether vested or unvested, was exchanged for stock options of the Company under the Omnibus Plan described below.

Awards are granted to NEOs periodically as the compensation committee determines appropriate. The number of Awards to be granted is expected to be based on each individual’s position, responsibility and performance and takes into account the number and terms of Awards that have been previously granted to that individual. The Company believes that the granting of Awards to the NEOs and share ownership by such NEO will serve to motivate the achievement of the Company’s long-term strategic objectives and will help align the financial interests of the NEO with the financial interest of and value creation for the Company’s shareholders.

The purpose of the Omnibus Plan is to advance the interests of the Company, through the grant of Awards, by: (i) providing an incentive mechanism to foster the interests of eligible participants under the plan (which includes directors, officers, employees, consultants and service providers of the Company and its subsidiaries) in the success of the Company, its affiliates and its subsidiaries; (ii) encouraging such eligible participants to remain with the Company, its affiliates or its subsidiaries; and (iii) attracting new directors, officers, employees and service providers. The Omnibus Plan provides that the maximum number of Common Shares that may be reserved for issuance upon the exercise of all Awards granted under the Omnibus Plan shall not exceed, on a rolling basis, fifteen percent (15%) of the aggregate number of Common Shares issued and outstanding from time to time, and shall be inclusive of any stock options issued under the Legacy Option Plan.

Summary of the Material Provisions of the Omnibus Plan

Under the terms of the Omnibus Plan, the Board may grant Awards, which consist of DSUs, RSUs, Options, PSUs or SARs to eligible participants.

The Omnibus Plan is under the discretion of the Board. The compensation committee makes recommendations to the Board in relation to the Omnibus Plan and to the grants of Awards. The aggregate number of Common Shares available for grant and issuance from treasury pursuant to Awards under the Omnibus Plan may not exceed fifteen percent (15%) of the aggregate number of issued Common Shares, and shall be inclusive of any stock options issued under the Legacy Option Plan. The Omnibus Plan is considered an "evergreen plan", since the Common Shares covered by grants which have been exercised, settled, expired, cancelled or forfeited shall be available for subsequent grants under the Omnibus Plan and the number of Common Shares available to grant increases as the number of issued and outstanding Common Shares increases. Every three (3) years after the effective date of the Omnibus Plan, all unallocated Awards under the Omnibus Plan shall be submitted for approval to the Board and the shareholders of the Company.

Subject to adjustment pursuant to provisions of the Omnibus Plan, the aggregate number of Common Shares: (i) issued to insiders of the Company under the Omnibus Plan or any other proposed or established security based compensation arrangement of the Company within any one (1) year period; and (ii) issuable to insiders at any time under the Omnibus Plan or any other proposed or established security based compensation arrangement of the Company, shall in each case not exceed ten percent (10%) of the total issued and outstanding Common Shares (on a non-diluted basis).

A participant whose employment or engagement with the Company or a subsidiary (as such term is defined in the *Securities Act* (British Columbia)) has ceased for any reason, or who has given notice of such cessation, as the case may be, shall cease to be eligible to receive Awards under the Omnibus Plan as of the date on which such person provides notice to the Company or the subsidiary, as the case may be, in writing or verbally, of such cessation, or on the date upon which such person ceases to be an eligible participant due to any cessation of such participant's employment or engagement initiated by the Company.

<u>Options</u>

Subject to the terms and conditions of the Omnibus Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time by resolution, in its sole discretion: (i) designate the eligible participants who may receive Options under the Omnibus Plan; (ii) fix the number of Options, if any, to be granted to each eligible participant and the date or dates on which such Options shall be granted; (iii) determine the price per Common Share to be payable upon the exercise of each such Option (the "**Option Price**"); and (iv) determine the relevant vesting provisions, including criteria established by the Board which, without limitation, may include criteria based on the eligible participant's personal performance and the financial performance of the Company or of its subsidiaries, and that may be used to determine the vesting of the Awards, when applicable, if applicable, and the expiry of the Options (the "**Option Term**").

As of the date of this AIF, there were 26,010,000 Options outstanding, all of which were originally issued under the Legacy Option Plan and have been assumed under the Omnibus Plan. The Option Price for Common Shares that are the subject of any Option will be fixed by the Board when such Option is granted but will not be less than the Market Value of such Common Shares on the trading day immediately preceding the date on which the Option is granted to the eligible participant. For the purposes of the Omnibus Plan, "**Market Value**" means: (A) if the Common Shares are listed on a stock exchange, (i) with respect to Options or SARs (and any cashless exercise or surrender thereof), at any date when the market value of Common Shares is to be determined, the greater of (x) the volume weighted average trading price of the Common Shares on such stock exchange for the five trading days preceding the date on which the Market Value is to be determined, and (y) the closing price of the Common Shares on the trading day prior to the date of grant on the stock exchange, and (ii) with respect to Units, the volume weighted average trading price of the Common Shares on the stock exchange for the five trading days preceding the date on which the Market Value is to be determined, or, (B) if the Common Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

In no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. Subject to a limited extension if an Option expires during a black-out period, Options may be exercised at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.

DSUs

Under the Omnibus Plan, the Company may grant DSUs to a participant, entitling such participant to receive payment based on the value of one (1) Common Share once such Award has vested, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on such factors as may be determined by the Board from time to time, including the achievement of preestablished performance criteria. As of the date of this AIF, there were no DSUs outstanding.

Subject to the terms and conditions of Omnibus Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time by resolution, in its sole discretion: (i) designate the participants who may receive DSUs under the Omnibus Plan; (ii) fix the number of DSUs, if any, to be granted to each eligible director and the date or dates on which such DSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions of such DSUs.

Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in any agreement relating to a grant of DSUs, each DSU will entitle a participant to receive: one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the cash equivalent of one (1) Common Share; or (iii) a combination of (i) and (ii), as determined by the Board in its sole discretion, on the date when the DSU is fully vested.

A participant who: (i) ceases to be a director; (ii) ceases to be employed by the Company or its subsidiaries; or (iii) ceases to provide services to the Company or its subsidiaries, as applicable, (of, if deceased, their estate, successors, heirs or legal representatives) may request the settlement of all (but not less than all) of their vested DSUs at any time during the period between the date on which they (i) cease to be a director of the Company; (ii) cease to be employed by the Company or its Subsidiaries; or (iii) cease to provide services to the Company or its Subsidiaries, as applicable, and the expiry date of the DSU, in such manner as the Board may determine from time to time and in accordance with such rules and regulations as the Board may prescribe from time to time. Any DSU which has not been settled prior to the expiry date of the DSU shall be automatically settled on the expiry date of the DSU.

RSUs

Under the Omnibus Plan, the Company may grant RSUs to a participant, entitling such participant to receive payment based on the value of one (1) Common Share once such Award has vested, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Company or a subsidiary. As of the date of this AIF, there were no RSUs outstanding.

Subject to the terms and conditions of Omnibus Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time by resolution, in its sole discretion: (i) designate the eligible participants who may receive RSUs under the Omnibus Plan for services rendered in a particular year; (ii) fix the number of RSUs, if any, to be granted to each eligible participant and the date or dates on which such RSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions and the settlement date of such RSUs.

Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in any agreement relating to a grant of RSUs, each RSU will entitle a participant to receive: one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the cash equivalent of one (1) Common Share; or (iii) a combination of (i) and (ii), as determined by the Board in its sole discretion, on the date when the RSU is fully vested.

PSUs

Under the Omnibus Plan, the Company may grant PSUs to a participant, entitling such eligible participant to receive payment based on the value of one (1) Common Share once such Award has vested, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Company or a subsidiary and performance criteria. As of the date of this AIF, there were no PSUs outstanding.

Subject to the terms and conditions of Omnibus Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time by resolution, in its sole discretion: (i) designate the eligible participants who may receive PSUs under the Omnibus Plan for services rendered in a particular year; (ii) fix the number of PSUs, if any, to be granted to each eligible participant and the date or dates on which such PSUs shall be granted; and (iii) determine the relevant conditions, performance criteria and vesting provisions and the settlement date of such PSUs.

Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in any agreement relating to a grant of PSUs, each PSU will entitle a participant to receive: one (1) Common Share issued from treasury or purchased on the open market; (ii) to receive the cash equivalent of one (1) Common Share; or (iii) a combination of (i) and (ii), as determined by the Board in its sole discretion, on the date when the PSU is fully vested.

SARs

Under the Omnibus Plan, the Company may grant SARs to a participant. A SAR is an Award entitling the recipient to receive a cash payment having a value equal to the excess of the Market Value of the Common Shares on the date of exercise over the determined initial price of the SAR, which price shall not be less than 100% of the Market Value of the Common Share on the date of grant. As of the date of this AIF, there were no SARs outstanding.

Subject to the terms and conditions of the Omnibus Plan and any shareholder or regulatory approval which may be required, the Board may, from time to time by resolution, in its sole discretion: (i) designate the eligible participants who may receive SARs under the Omnibus Plan; (ii) fix the number of SARs, if any, to be granted to each eligible participant and the date or dates on which such SARs shall be granted; (iii) determine the initial price per SAR (the "**SAR Price**"); and (iv) determine the relevant conditions and vesting provisions, including the Performance Criteria, and the expiry of the SARs.

The SAR Price will be fixed by the Board when such SAR is granted but will not be less than the Market Value of such Common Shares on the at the time of the grant.

In no event shall a SAR be exercisable on a date which is later than five (5) years from the date the SAR is granted. Each SAR shall be exercisable at such time or times and pursuant to the achievement of such performance criteria or other vesting conditions as the Board at the time of granting of the particular SAR, may determine in its sole discretion.

Transferability of Awards

Other than by will or under the law of succession or as otherwise set forth in the Omnibus Plan, Awards are not assignable or transferable. Awards may be exercised only by:

(a) the participant to whom the Awards were granted;

(b) with the Company's prior written approval and subject to such conditions as the Company may stipulate, such participant's family tax-free savings account or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the participant is and remains the annuitant or holder, as applicable;

(c) upon the participant's death, by the legal representative of the participant's estate; or

(d) upon the participant's incapacity, the legal representative having authority to deal with the property of the participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Company of entitlement to exercise any Award. A person exercising an Award may subscribe for Common Shares only in the person's own name or in the person's capacity as a legal representative.

17.4 Statement of Corporate Governance Practices

Board of Directors

Composition of the Board

The Board is currently composed of five directors. The Board has concluded that 3 directors (Barrington Miller, Lauri Holomis and Nunziato Fatorre) are "independent" for purposes of board membership, as defined in National Instrument 58-101—*Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Board considers John Celenza and Andy O'Brien as not independent by virtue of being an executive officer or former executive officer of the Company or its subsidiaries. The majority of the Board is considered independent.

Other Directorships

The directors of the Company are not presently directors of any other issuers that are reporting issuers (or the equivalent in Canada or elsewhere.

Chair of the Board

John Celenza is the chair of the Board and is not an independent director.

Board Mandate

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company.

Position Descriptions

The Board has developed written position descriptions for the chair of the Board and the chair of each Board committee.

The Board and CEO have developed a written position description for the CEO, which delineates the role and responsibilities of the CEO.

Meetings of Independent Directors

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The independent directors may meet at the end of any meeting of the Board without management and non-independent directors present. The independent directors shall appoint a chairman to chair these meetings. The independent directors shall appoint a person to maintain minutes of the meeting or, if no person is so appointed, the chair of the meeting shall maintain minutes of the meeting.

Orientation and Continuing Education

The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Company's business. When required, the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.

Ethical Business Conduct

The Board has not adopted a written code on ethical business conduct. The directors are required to abide by all relevant regulatory rules and regulations. The Board monitors compliance by requiring directors and officers to declare any conflicts of interest or any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Board will receive reports from management regarding any allegations of unethical conduct.

Nomination of Directors

The Board has not adopted any formal policy for the nomination of new directors. The Board relies on its nominating and corporate governance committee to identify new candidates for Board nomination based on the needs of the Board. The nominating and corporate governance committee is responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders. In making its recommendations, the nominating and corporate governance committee considers: (i) the competencies and skills that the board considers to be necessary for the board, as a whole, to possess; (ii) the diversity of the board composition, including whether targets have been adopted for women, visible minorities, Aboriginal people and people with disabilities on the board or in executive officer positions; (iii) the competencies and skills that the board considers each existing director to possess; (iv) the competencies and skills each new nominee will bring to the boardroom; and (v) whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member. The nominating and corporate governance committee is composed of a majority of independent directors.

Compensation

The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;

2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder values;

3. pay for performance; and

4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the NEOs. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Omnibus Plan. The Board reviews and approves the hiring of executive officers.

The Company's compensation committee is composed of a majority of independent directors who: (i) review and approve goals and objectives relevant to the CEO's compensation; (ii) evaluate the CEO's performance with respect to those goals and objectives; (iii) determine the CEO's compensation (both cash-based and equity-based); (iv) review and approve incentive compensation plans and equity-based plans and determines whether security holder approval should be obtained; and (v) make recommendations to the board with respect to compensation of other senior officers and directors. The compensation committee relies on discussions with internal and external parties, as well as an informal review of other companies of similar industry and/or size to ensure an object process for determining such compensation.

Board Assessment

The Board has not adopted any formal policies to evaluate the effectiveness of the Board, the audit committee, the compensation committee, the nominating and corporate governance committee and the individual directors. The Board may appoint a special committee of directors to evaluate the Board, its committees and assess the contribution of its individual directors and to recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committee of directors to perform such analysis.

SCHEDULE A
AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

CIZZLE BRANDS CORPORATION

This charter ("**Charter**") sets out the purpose, composition, member qualification, roles and responsibilities, manner of reporting to the board of directors (the "**Board**") of Cizzle Brands Corporation ("**Cizzle**"), and the general objectives and operation of Cizzle's audit committee (the "**Committee**").

Mandate of the Committee

The primary mandate of the Committee is oversight of Cizzle's external auditors ("**Auditors**"), financial reporting and continuous disclosure, financial risk management, Cizzle's whistleblower and fraud function, and compliance with tax and securities laws.

Roles & Responsibilities

In executing its mandate, the Committee shall have the following roles and responsibilities:

External Auditor

The Committee will: (a) select, evaluate and recommend to the Board, for shareholder approval, the Auditors and, if necessary, the replacement of the Auditor; (b) prior to the annual audit, evaluate the scope of the Auditor's review, including the Auditor's engagement letter and the annual audit plan, fee schedule and any related services proposals; (c) recommend to the Board the Auditors' compensation; (d) pre-approve all non-audit services to be provided by the Auditors; (e) directly oversee the work of the Auditor; (g) assist with resolving any disputes between Cizzle's management and the Auditors regarding financial reporting; (h) ensuring that the Auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures; and (i) performing other audit, review or attestation services.

Financial Reporting

The Committee will: (a) review the audited consolidated financial statements of Cizzle, discuss those statements with management and with the Auditor, and recommend their approval to the Board; (b) review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board; (c) review Cizzle's management discussion and analysis, interim and annual press releases, and audit committee reports before Cizzle publicly discloses this information; (d) review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented; and (e) reviewing and approving Cizzle's hiring policies with respect to partners or employees (or former partners or employees) of a current or former auditor.

Financial Risk Management

The Committee will: (a) review with the Auditors and with management, the general policies and procedures used by Cizzle with respect to internal accounting and financial controls and remain informed of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of Cizzle or from applicable laws or regulations; (b) periodically review activities, organizational structure, and qualifications of the CFO and the staff in the financial reporting area, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions, and ensure that matters related to succession planning within Cizzle are raised for consideration at the Board; (c) review management plans regarding any changes in accounting practices or policies and the financial impact thereof; and (d) establishing procedures for: reviewing the adequacy of Cizzle's insurance coverage, including the Directors' and Officers' insurance coverage.

Fraud & Whistleblower Program

The Committee will: (a) establish procedures for the confidential, anonymous submission by employees of Cizzle of complaints regarding questionable accounting or auditing matters and the receipt, retention and treatment of any such complaints; and (b) review fraud prevention policies and programs, and monitor their implementation.

Compliance with Laws

The Committee will: review regular reports from management and others (e.g., external auditors, legal counsel) with respect to Cizzle's compliance with laws and regulations relating to financial controls, records and reporting including: (a) tax and financial reporting laws and regulations; (b) legal withholding requirements; (c) laws and regulations which expose directors to liability; and (d) orientation of new members and continuous education of all members.

The Committee is also responsible for the other matters as set out in this Charter and/or such other matters as may be directed by the Board from time to time.

Composition

The Committee must be comprised of a minimum of three directors of Cizzle. All members of the Committee must be financially literate as defined in NI 52-110. If upon appointment a member of the Committee is not financially literate, the person will be given a reasonable period of time to acquire the required level of financial literacy.

The Board will appoint a chair of the Committee (the Chair) to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Committee for any number of consecutive terms. The Chair shall be responsible for leadership of the Committee, including scheduling and chairing meetings, preparing agendas and briefing documents, and making regular reports to the Board. The Committee may form and delegate authority to subcommittees where appropriate.

The members of the Committee will be appointed by the Board annually, and from time to time to fill vacancies, as required. A Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Committee on ceasing to be an independent director.

Meetings & Minutes

The Committee shall meet as necessary, at a minimum at least four (4) times per year, to enable it to fulfill its responsibilities and duties as set forth herein.

The quorum required to constitute a meeting of the Committee is set at a majority of members. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Committee members prior to the meeting for members to have a reasonable amount of time to review the materials.

The external auditors (Auditors), will be provided with notice as necessary of any Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

The Committee will meet in camera separately with each of the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") at least annually to review the financial affairs of Cizzle. The Committee will meet with the Auditor in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

Each of the Chair of the Committee, members of the Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

The Committee will keep minutes of its meetings which accurately recording the decisions reached by the Committee, and which minutes are filed with the minutes of the meetings of the Board.

Reporting

The Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

Express Authority

The Committee shall have unrestricted access to Cizzle's officers and employees. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties. In addition to all authority required to carry out the duties and responsibilities included in this Charter, the Committee has specific authority to: (a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Committee will report directly to the Committee; (b) communicate directly with management and any internal auditor, and with the Auditors without management involvement; and (c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by Cizzle.

Annual Review

The Committee shall review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually, to ensure compliance with any rules or regulations and recommend any modifications to this Charter if and when appropriate to the Board for its approval.

The Board will conduct an annual performance evaluation of the Committee, taking into account the Charter, to determine the effectiveness of the Committee.